DVANCED

MANAGEMENT

JULY 1958
VOLUME 23 No. 7

Includes

S.A.M Annual Report for

1957-58

In This Issue . . .

Motivation — What Makes Sammy Run?
by James C. Lillis

A Statistical Training Program for Management
by Clifford C. James and B. J. Mandel

Work Load Incentives
by Peter E. Dutcher

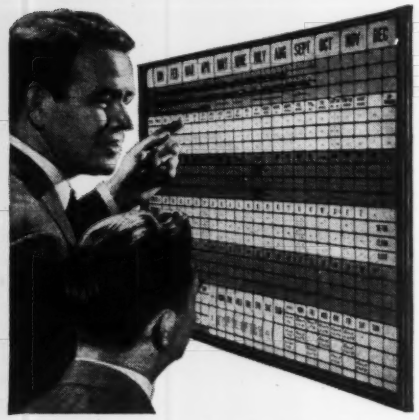
A New Approach To Training In Leadership Skills
by Homer E. Lunken

Re-examination Of Performance Appraisal
by Robert R. Blake

(Full contents on page 3)

Published by **The Society for Advancement of Management,** the national professional organization of management people in Industry, Commerce, Government and Education, with national, regional and chapter activities.

How To Get Things Done Better And Faster



BOARDMASTER VISUAL CONTROL

- ★ Gives Graphic Picture—Saves Time, Saves Money, Prevents Errors
- ★ Simple to operate—Type or Write on Cards, Snap in Grooves
- ★ Ideal for Production, Traffic, Inventory, Scheduling, Sales, Etc.
- ★ Made of Metal Compact and Attractive. Over 250,000 in Use

Full price **$49.50** with cards

FREE 24-PAGE BOOKLET NO. V-30 Without Obligation

Write for Your Copy Today

GRAPHIC SYSTEMS

55 W. 42nd St. • New York 36, N. Y.

S. A. M *Rating of* TIME STUDY Films

A DO-IT-YOURSELF suggestion: Take pictures of your bench-mark operations. Splice them in the S.A.M. Films of known ratings. Thus you can establish ratings for your own operations.

●

Eight reels depicting 24 typical manufacturing and clerical operations alternately shown in five separate scenes. Composite time-values, based on the judgment of 1200 experienced time-study men, afford comparison with the national average.

●

NOW IN USE THROUGHOUT MOST OF THE FREE WORLD

as

- **The Classical Reference in Training and Refreshing Time Study Men**
- **An Objective Ground for Settling Standards Disputes**
- **A Swift, Economical Means of Achieving Rating Consistency Towards A Fair Day's Work**

For further information:

Research Division

THE SOCIETY FOR ADVANCEMENT OF MANAGEMENT

74 Fifth Avenue • New York 11, N. Y.

NEW! Packed with vital developments for the nuclear age

PRODUCTION HANDBOOK

SECOND EDITION

For higher output, lower costs, peak efficiency . . .

COMPLETE — ALL-INCLUSIVE, this new *Production Handbook* is your key to the management-engineering methods that are today revolutionizing traditional concepts of production planning, control, and efficiency. New materials, new machines, new processes, new functioning of company organization — all are reflected in this big Handbook's 1,700 pages of practical production know-how.

The only fully integrated guide to modern manufacturing, this volume puts at your fingertips proved principles, time- and work-saving systems, and successful operating procedures, *for each phase of modern production activity.*

***Edited* by GORDON B. CARSON**

Dean, College of Engineering; Director, Engineering Experiment Station, The Ohio State University.

Board of 48 Contributing, Consulting Editors

Time-saving analytical methods help you cut through the calculations and paperwork attendant on complex manufacturing processes. New approaches and techniques help you save hundreds of hours in completing work and time studies, isolating costs, interpreting research. At whatever stage manufacturing is approached, the Handbook calls your attention to relevant information concerning materials, financing, transportation, type and design of product, distribution, new equipment and processes, demonstrating how production interlocks with these vital factors.

25 SECTIONS! Plant Organization — Production Planning, Control — Control Systems — Material Control, Standardization — Purchasing — Storeskeeping — Quality Control — Statistical Methods — Charting, Graphic Methods — Process Charts — Work Measurement — Motion, Methods Study — Work Simplification — Wage Plans — Electronic Computers — Research, Development — Plant Layout, Location — Processes — Tools, Jigs, Fixtures — Materials Handling — Plant Maintenance — Safety, Fire Prevention.

TODAY'S APPLICATIONS of —

Charting and Graphic Methods — Operations Research — Electronic Gaging and Control Work Sampling — Statistical Methods — Automation — Electronic Computers — Research and Development — Work with Nuclear Materials.

BIG 6" x 9" format for greater readability
725 Forms, Charts, How-to-do-it Drawings, Photographs 1,700 Pp. 60-Page Index $16

CLIP AND MAIL COUPON TODAY!

The Ronald Press Company
15 East 26th St., New York 10, N. Y.

Please rush ..... copy(ies) of the new PRODUCTION HANDBOOK, 2nd Edition, Edited by Carson. Price: $16.

☐ Check enclosed ☐ Bill me ☐ Bill firm
(Publisher pays postage when credit accompanies order)

Name .....
Firm AM-2
Address .....
City ..... Zone .....
State .....

THE RONALD PRESS COMPANY

MANAGEMENT—oldest of the arts . . . youngest of the professions. . .

To be a positive manager you need to acquire a high degree of skill in, first, how to make decisions; second, how to get people to accept them; and, finally, how to get them to do something about them. In a word—leadership.

Don G. Mitchell

Chairman of the Board and Chairman of the Executive Committee of the American Management Association.

Chairman of the Board and President of Sylvania Electric Products, Inc.

NATIONAL OFFICERS: 1958-59

CHAIRMAN OF THE BOARD
HOMER E. LUNKEN Vice President and Director, The Lunkenheimer Company, Cincinnati, Ohio

PRESIDENT
PHIL CARROLL, Professional Engineer, Maplewood, N. J.

1st VICE PRESIDENT
DAUSE L. BIBBY, Exec. Vice President, Daystrom, Inc., Elizabeth, N. J.

2nd VICE PRESIDENT
JAMES E. NEWSOME, Production Manager, Filter Products Div., Johnson & Johnson, Chicago

SECRETARY
HUGO W. DRUEHL, President, Arrowhead and Puritas Waters, Inc., Los Angeles

TREASURER
FRED E. HARRELL, Gen. Mgr., Curtiss-Wright Corp., Marquette Div., Cleveland, Ohio

EXECUTIVE VICE PRESIDENT
HAROLD R. BIXLER

VICE PRESIDENT, INDUSTRIAL ENGINEERING
RALPH M. BARNES, Professor of Engineering & Production Management, University of California, Los Angeles

VICE PRESIDENT, INDUSTRIAL RELATIONS
SAMUEL L. H. BURK, Principal, Rogers, Slade & Hill, New York

VICE PRESIDENT, MARKETING
AL N. SEARES, Vice President, Sperry Rand Div., Remington Rand, Inc., New York

VICE PRESIDENT, MATERIALS HANDLING
WARREN J. KING, Associate Editor, McGraw-Hill Publishing Company, New York

VICE PRESIDENT, CHAPTER CONFERENCES AND SEMINAR DEVELOPMENT
LESTER F. ZERFOSS, Staff Advisor for Executive Development, American Enka Corp., Enka, N. C.

VICE PRESIDENT, SENIOR CHAPTER OPERATIONS
DAVID N. WISE, Manager, Applied Research & Engineering, Safety Products Div., Mine Safety Appliances Co., Pittsburgh

VICE PRESIDENT, SMALL BUSINESS
L. T. WHITE, Vice President, Cities Service Petroleum, Inc., New York

The list of

S.A.M REGIONAL OFFICERS

for 1958-59

is now being completed and will be

printed in this space in the August issue.

NATIONAL OFFICE STAFF

HAROLD R. BIXLER, Exec. Vice President

HAROLD FISCHER, Vice President, University Chapter Division —Professor of Business Administration, Franklin & Marshall College, Lancaster, Pa.

VINCENT A. FLYNN, Ph.D., Research Director

PATRICK J. REDDINGTON, Educational and Conference Director

MARION CUSICK, Office Mgr. and Asst. Treas.

BEATRICE JONES, Publications Editor

Over 50,000 people read

ADVANCED MANAGEMENT

PROGRESS THROUGH ENLIGHTENED MANAGEMENT

"Through research, discussion, publications, and other appropriate means, to conduct and promote scientific study of the principles governing organized effort in industrial and economic life . . . for the general betterment of society . . ."

S.A.M Constitution

Publications Editor: Beatrice Jones

Editorial Advisory Board: The S.A.M Functional and other National Officers also serve in this capacity.

JULY 1958

Vol. 23 No. 7

CONTENTS

Articles

ARE YOU ADVANCING?
by **Phil Carroll** 4

MOTIVATION—WHAT MAKES SAMMY RUN?
by **James C. Lillis** 5

LET'S HAVE A BRAINSTORM
by **Bradford C. Loveland** 8

DOWN WITH BRAINSTORMING!
by **Henry Theodore Rowe** 9

A STATISTICAL TRAINING PROGRAM FOR MANAGEMENT
by **Clifford C. James** and **B. J. Mandel** 10

THE ENDS OF ORGANIZATION: A REPLY
by **Waino W. Suojanen** 13

WORK LOAD INCENTIVES
by **Peter E. Dutcher** 14

A NEW APPROACH TO TRAINING IN LEADERSHIP SKILLS
by **Homer E. Lunken** 17

RE-EXAMINATION OF PERFORMANCE APPRAISAL
by **Robert R. Blake** 19

Features

CIPM REPORTS
A Report of the Council for International Progress in Management by **Jane Dustan** 20

NEW MANAGEMENT WRITING
The S.A.M Book Service's Listing of Recent Books of Interest to Management People 21

1957-58 ANNUAL REPORT OF THE SOCIETY FOR ADVANCEMENT OF MANAGEMENT 22

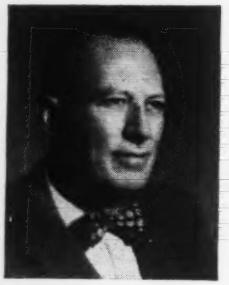
S.A.M NEWSLETTER
by **Harold R. Bixler** 30

CLASSIFIED ADS 32

The following items are registered trademarks owned by the Society for Advancement of Management, Incorporated: ADVANCED MANAGEMENT, S.A.M., *and the seal*

ADVANCED MANAGEMENT, published monthly by the Society for the Advancement of Management, Inc., 74 Fifth Avenue, New York 11, N. Y., is successor to The Society for the Advancement of Management Journal, the Bulletin of the Taylor Society and of The Society of Industrial Engineers. Reentered as second-class matter, December 23, 1949, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Copyright, 1957, Society for Advancement of Management. Permission must be obtained for reprinting, digesting, or quotation. Subscription rates: $8.00 per year. Single copies: 75 cents (members); $1.00 (non-members). All members receive this publication, for which $4.00 of their dues is allocated. Reprints of articles readily available in quantity, price schedule on request. An index to ADVANCED MANAGEMENT is published annually, and the contents are also indexed in industrial Arts Index, available at Public Libraries. Notification of address changes must be given four weeks in advance.

The Editorial Advisory Board will be pleased to review manuscripts submitted for publication, but will not be responsible for loss in transit, safe custody or otherwise. DISCLAIMER: The views of the authors are not necessarily those of the Society for Advancement of Management, S.A.M will not be responsible for any liability that might develop as a result of articles published in this magazine.



Are You Advancing?

YOU WANT TO get ahead in life. So do most of us. This desire, says Lecomte du Nouy in *Human Destiny*, is " . . . the trait which above all others links man most clearly to the divine task of evolution." That is his way of pointing out that the drive to "make names" for ourselves is a basic part of human nature.

To get ahead, however, we must do more than wishfully hope. We must work. And the more we work, the further we get. Of course, the types of goals we reach, depend also upon how skillfully we work in the roughly forty active years allotted to us.

When we work more skillfully, as you know, we can get more done in the time we do work. As we improve our skills, naturally, we can do even better work—and more of it. Thus, your chief concern and mine is to gain broader and higher skills. We seek the greater personal satisfactions that come to us when we successfully carry out jobs that require higher skills. Then, too, our companies pay more money for them.

Skill in your field is related to how much you know. How much knowledge do you bring to the solutions of the problems you must solve every day? Do you know how your decisions will affect the work done by other departments in your company? More particularly, are you applying your skills toward increasing the success of your company to the degree that results you get are readily seen?

When you can take into account these several factors, you improve your percent of right decisions. Like one boss-man said, "As I raise my batting average by reducing my mistakes, I get further in promotions and in pay."

Maybe that is why he rarely missed a chapter meeting. Perhaps that is why he worked and worked on committee efforts and took one job after another in S.A.M. chapter operations. The reason could be that he believed what Herbert Moore said, "While one earns his salary during the day, one often earns his promotion at night."

He knew he could learn from the experiences of others. For example, speakers brought to him the latest knowledge they had acquired about management principles and "tools". Fellow-members swapped ideas with him about local practices and thus, he further increased his capabilities.

But the work he did in his S.A.M chapter gave him an advantage over his friends who came only to listen. He got practice in managing. He learned how to "get results through others" where he could neither promote nor penalize those fellow-members he worked with.

All the advantages he had are open to you—more know-why, more know-how and more practice in applying managerial skill. Are you, Joe Member, profiting as much as you should from belonging to S.A.M.?

Phil Carroll
National S.A.M. President

Motivation—What Makes Sammy Run?

by James C. Lillis

Factory Manager
Boston Division
Minneapolis-Honeywell
Regulator Company

MOTIVATION has been defined as the stimulation of any emotion or desire operating upon one's *will* and prompting or driving it to action. It has been said that Motivation is "What Makes Sammy Run"—(from the book of the same name by Budd Shulberg.) However, definitions at best are not too meaningful. Examples are far more useful when trying to describe something.

One example of motivation-in-action is seen in a story told about Knute Rockne. His ability to stimulate the desire to win in his Notre Dame football players resulted in victories when all seem lost. On one particular occasion his team was trailing by three touchdowns at the end of the first half. As you probably know, "Rock" was noted for his inspiring half-time pep talks. But instead of the usual talk this day he said nothing for the whole rest period, until the buzzer sounded for the team to return to the field. As the boys were leaving the dressing room to go back onto the field, "Rock" said, "O.K. *girls*, let's go!" They went out and proceeded to run the opposition into the ground, winning the game by two touchdowns!

Long before the days of Rockne, and particularly during the past few years, educators, businessmen, research people in the field of human relations, and others have been trying to understand, define, and develop techniques which will enable leaders in various fields of endeavor to unleash the great untapped reservoir of human effort.

There are few who believe that motivation has been reduced to an exact science. It is, instead, a combination of many diverse elements not easily defined. However, there is some general agreement that two of the most important elements are:

1. *UNDERSTANDING* of the fundamental urges and desires within people which are subject to emotional stimulation or motivation,
2. *COMMUNICATION* with people so that they will be provided a satisfactory stimulus to their urges

There are some fundamental concepts to help us understand the basic urges and desires of people. These are:

1. People tend to do things that bring them statisfaction.
2. The extent to which a given impulse moves a person depends upon his or her condition or on how much that person is deprived of a particular need.
3. Usually there are several needs or desires which can and do drive us on and are considered to be strong motivating forces, such as loyalty, security, recognition, adventure, conquest, prestige, and pleasing some one you respect.
4. People acquire some of their desires from those with whom they are closely associated. This is clearly seen in children who want the same things as their playmates. It is seen in grown-ups who seek to "Keep up with the Joneses".
5. As a person's position or status changes, his needs and desires may also change. At each level on the way up the ladder his desires may be considerably different from what they were.
6. In the business world as one moves up the management ladder, the things that motivates the man change. According to a survey made by Gardner in 1948, the most common motivations among management men were successful achievement, prestige, status, in-

MR. LILLIS received his B.S. in M.E. from Tufts College and his M.B.A. from Harvard Business School where he majored in Manufacturing Operations and Industrial Relations. He has been associated with Raytheon Manufacturing Co., Eastman Kodak Co., Bausch & Lomb Optical Co., and with Booz, Allen and Hamilton as a management consultant serving such clients as Sperry Gyroscope, Bigelow Sanford Carpet Co., and Schenley Distributors. Mr. Lillis has also been on the faculty of the University of Rochester and of Northeastern University teaching courses in Management. He has been a member of the Society for Advancement of Management since 1944.

dependence, interesting work, and rewards.

Self Motivation

Before we can motivate others we first must motivate ourselves. A person who is able to do this is sometimes referred to as a "self-starter". We must overcome a certain amount of natural inertia which we all have, (the amount varying between individuals). One of the most common deterrents to human action is that *tired feeling*. Too often that "tired feeling" is due to emotional reactions within us and rest will not cure it.

Emotions can be controlled through proper thinking. A book entitled *How Never To Be Tired* by Marie Beynon Ray threw some light on this problem by indicating some of the things affecting the Mind which make one tired. Those which affect the Conscious Mind include:

Monotonous work
Driven by the boss
Bad physical condition
Doesn't get along with associates
Dissatisfied with work or achievement
Under constant strain
Gets no real rest at home
Worried about holding the job
Financial problems

Some of the factors operating upon the Sub-conscious Mind which make one tired are:

Basically doesn't want to work at all
Wants to be tired to have an excuse for failure
Craves sympathy
Resents the kind of work he is forced to do
Thinks the world owes him a living
Has some sort of inferiority complex
Hates his wife—doesn't want to support her or her children
He is repressing things he had better face

The first group relating to the Conscious can be reduced to a single basic cause—Anxiety. While the second group refers to another basic cause—Inner Conflict. While these are fundamental causations, there are steps you can take to reduce their effect. These are:

1. *Monotonous work*—Make your job interesting. Interesting people are people who are interested. Bores are people who are bored.
2. *Worry*—Worry is usually destructive thinking; it never solved anything. Think constructively.
3. *Sense of Inferiority*—Many subordinates feel inferior to their boss. The perpetual tired feeling which may result does not necessarily mean they lack ability to do the job. It may indicate lack of desire. All of us possess certain strengths and weaknesses. Make the best possible use of your strengths (good points) and don't dwell on your weaknesses, but correct them as far as possible.
4. *Fear (phobias)*—Do the things you are afraid of because ignorance causes fear.
5. *Indecision*—Be tough-minded, particularly toward yourself.
6. *Over-sensitivity* or *over-emotionalism*—Each must adapt or adjust himself to life. Stoicism is necessary in the life struggle.

Acquire a sensible and worthwhile philosophy of life if you want to rid yourselves of these anxieties and inner conflicts which, if allowed to build up within you, can ultimately make you a frustrated and useless member of society, broken in mind and body.

We should all recognize that a most important mission in life is to help our fellow man. This is a very natural means through which we can achieve true happiness and real personal gratification. There are few, if any, selfish, self-centered men who are really and truly happy.

Further, if we adopt as part of our philosophy that, "*Nothing is ever done finally and right*" we will go far toward reducing Anxiety and Inner Conflict in at least two ways: First, it will keep us from getting discouraged and help us recover from failures or setbacks on the road to established goals. Second, it will keep us from resting on our laurels when we feel our goals are attained. Although you may feel you have reached the ultimate of perfection, you are due for a sad awakening if you think you know all the answers, for change and progress never stop. You will find yourself left behind unless you continue to improve.

Personal Objectives and Goals

Setting objectives and goals is one of the most important elements in successful self-motivation. They may change from time to time, but we need them for directing our day-to-day efforts.

Group Motivation

Whether you are in line or staff operations your individual efforts are futile if you do not seek and secure the wholehearted cooperation of those with whom you work. Therefore, *the motivation of your group is as important as self motivation.*

It is impossible to demand cooperation except possibly in a dictator-controlled country and then it is usually fear of torture that forces cooperation or compliance. But under normal conditions the individual's effort is usually far below his capacity or capabilities.

In order to motivate people with whom we come in contact we must be able to reach them. This is known as Communication, another word heard frequently these days in the field of human and/or industrial relations. Since worthwhile ideas, plans, inventions, or systems are valueless unless expressed to and understood by those for whom they are intended, the importance of communication is quite evident. Nothing can be done, no act can be undertaken, no decision made, no thinking process brought to a real conclusion unless and until the act of communication is an inherent part of the undertaking.

Communication isn't only what you say or write. It is also what you don't say or don't write. It is what you do and don't do. In fact, what you *are* has a tremendous influence on what people hear, read or see and interpret when you say, write or do something. For example, if you have a reputation for not being 100 percent truthful in past statements, how can you expect people with whom you are trying to communicate to believe what you say? Therefore, before we can communicate our ideas, plans, and programs effectively, we must first develop within ourselves high personal qualities and character—character being definned as the aggregate of distinctive qualities belonging to an individual which exemplify:

Honesty (freedom from fraud)
Integrity (moral soundness)
Truthfulness (rendering reality accurately)
Loyalty (the feeling which accompanies a sense of allegiance)
Stability (steadiness or resolution of purpose)
Tolerance (the disposition to allow beliefs, practices or habits differing from one's own)
Fairness (freedom from partiality)

Firmness (not easily shaken or disturbed)

In addition to these, some other very important personal qualities include the ability to assume responsibility, cooperate, give and take constructive criticism, and compromise when necessary. Also included among these personal qualities should be orderliness in mind and action, poise and control of temper, a sense of humor, broadmindedness, and action without procrastination. Depending upon the degree to which you possess and express these qualities will determine to a great extent how much people will respect you as a leader from the standpoint of personal competence.

Character and personal qualities are expressed in many ways. The manner in which we walk, talk or even look at people is often an outward reflection of our inner selves. Don't feel that those about us do not know the difference between a genuine smile and a phony smile, or a forced pleasant "hello" and one that is real and sincere. The cynical tone of voice, the remark made out of the side of the mouth, the impatient tapping of the foot, or an appearance of frustration or resignation are not forms of communication that will achieve effective motivation.

Much communication is involuntary, such as when our emotions get the better of us and we inadvertently convey an erroneous impression—or when somebody just reads between the lines. The supervisor or staff man who is continually determining the way operations are to be performed, measured and controlled is under constant surveillance by those with whom he comes in contact. He must be constantly aware of his demeanor, since he is always communicating to all about him, whether he wants to or not! Yet, if our inherent character, our basic concepts, our creed, our philosophy, and our convictions are sound, so also will be our expressions and our acts.

One of the most important factors in successful communication is to know and understand your audience. For example, if you, as an Industrial Engineer, were writing a memo for your boss on the subject of a new wage incentive plan which he was to submit to the Board of Directors, you would have to word it differently than if he was to submit it to the people in the shop. The reason for this is that the *basic motivations* of the two groups differ. You can't motivate successfully unless you communicate effectively.

Future Trends

In the years ahead those in the Industrial Engineering and Management fields will be in a position to exert great influence on the national economy and standard of living. They will be able to determine to a marked degree whether this country will have a socialistic form of government or free enterprise system.

It is the opinion of many top business executives and leading economists that we have a very difficult period ahead of us. All signs at this time indicate a trend toward higher wages and a greater proportion of service or indirect employees.

Within the next 10 years it is expected that an increase in wage rates will bring the gross pay of the average factory worker to $8,000 per year, including fringe benefits. This is $3.85 per hour on the present 40 hour per week basis. Such expectations are not too far fetched when we realize that factory wage rates have gone from $.43 per hour to over $2.00 per hour including fringes in less than 20 years. This is approximately a 5 times increase. Thus, an increase of less than 2 times in the next 10 years is not beyond the realm of possibility.

Take a look at one of the current plans of labor. Walter Reuther recently stated that the 1958 contract negotiations of the U.A.W. would ask for a high hourly wage increase then a shorter work week, with no reduction in weekly wages. These demands, plus others including increased Supplementary Unemployment Benefits and miscellaneous fringe benefits, has been calculated to result in an increase of approximately $.40 per hour. When we consider that the present hourly rate, including fringe benefits for the automobile workers, is well over $2.00 per hour now, the predicted average rate of $3.85 per hour including benefits within the next 10 years seems to be within the realm of possibility.

With the ever increasing use of automation, the trend toward higher indirect to direct worker ratios will tend to continue.

To meet this group problem there is one answer which stands out above all others in the opinion of experts: It is better utilization of people we now have and those whom we will hire as time goes on. The answer to this does not come from developing a lot of gadgets or gimicks. It must come from improved human relations and dealings with people. We must get people to do of their own free will what they ought to do anyhow.

The *will* to do—to produce, to grow, to progress—is the greatest source of productivity in the world today. At present, it is a resource which is hardly tapped in most of our business or industrial operations. One technique which is being employed in an attempt to make use of this resource is a Work Simplification Program which emphasizes the Philosophy of Improvement. It attempts to get everyone connected with the productive effort in a company to constantly and continually think in terms of how we can do the job better. It tries to use one of the basic human motivations, namely, that almost everyone desires to be considered an important part of the team or group with which he is associated. The average person desires to have a feeling of accomplishment, to feel that he is contributing something of importance in his work. It is up to the leaders to continually foster and encourage such activity by providing an outlet for these inherent human strivings and desires.

A supervisor may properly apply motivation by giving his people an opportunity to improve their performance and by complimenting or praising them when they have done a good job. Sincere praise from his superiors is one of the outward signs from which a person may really obtain *that feeling of accomplishment*. On the other hand, if good work isn't recognized or appreciated, why should a person bother to exert that extra effort? Too many times in industry today we hear workers complain that their boss only tells them when they are *not* doing a good job.

One central thought that stands out in the study of motivation is that there must be a *will* or determination to achieve worthwhile objectives or goals. This must be created and developed throughout one's whole organization or work force. One technique which can be helpful in this endeavor is to give your subordinates and coordinates an opportunity to express their ideas. Don't be too critical. It is never very constructive to say, "If you had been around here as long as I have, you wouldn't have been stupid enough to do what you did." Turn it around. Ask, "What are you trying to do or accomplish?" This will usually urge a person to be more determined to come up with better results because it makes him think of why he did what he did, what he was trying to

LET'S HAVE A BRAINSTORM

NEED an idea? Stymied on your project? Looking for a better answer? Why not try brainstorming? Bring your creative facilities to focus on the problem. Put aside these judicial thoughts. Everything I think of has been tried at least once. It's so obvious someone else must be doing it. Or this idea is so far-fetched it's crazy. We all have good ideas floating around in our head. The problem is how do we shake them out?

Brainstorming provides a solution to this problem. Alex F. Osborne has embarked on a career to stimulate the use of our creative imagination. The evidence that this program is succeeding can be found in newspapers, magazines, businesses and government. If we are to move ahead, the satisfaction of saying, "We have done it this way for twenty years, therefore, it must be good," has got to go.

Brainstorming means using the brain to storm a problem commando fashion. It can be practiced individually or in groups. The key to success is delaying critical judgment of the new ideas until later. Ideation sessions, as they were first called, were begun in 1939 by Alex Osborne, co-founder of the BBDO Advertising Agency (Batten, Barton, Durstine and Osborne) and President of the Creative Education Foundation. Early groups dubbed these ideation sessions—Brainstorms.

Ideation, says Webster, is "the function or capacity of the mind where by it entertains an idea." Ideation is much more productive if judgment is concurrently excluded. This is difficult at the start because we are trained to be good judges and to apply critical analysis. Nevertheless college experiments have proven that ideation is ten times as productive without judgment. You can't run hot and cold water out of the same tap without getting luke warm water. We're not looking for luke warm ideas.

Group ideation is combining the techniques used in individual ideation into a creative conference atmosphere. This is a new type of meeting, not dominated by critical thinking. New ideas are not subjected to the axes of the rest of the conferees. Instead, constructive positive thoughts must be advanced toward the solution of the problem. In one company where engineers meet weekly to discuss their problems, the discussion is opened by securing a positive suggestion from each of the other engineers in the room. Many times an individual remote to the details of the problem has the key to its solution. Many a wild idea has brought forth a practical solution.

Quantity is important. Through quantity comes the quality for which we are searching. Six to ten percent is average for good ideas from a brainstorm session. Set yourself a time limit, a total number of ideas to be gathered, then try to beat it. Squeeze out the last idea because your last idea will probably trigger two or three other ideas from the group. Don't concern yourself with how wild it is. Let someone else tame it down.

So much for the philosophy, how do we start? First, you need a panel. This panel should be composed of a core of five good idea producers. The remainder of the panel can be guests who are familiar with the problem. For example, if you are looking for ways to improve shotguns, it would be a good idea to invite some hunters. Women are very creative and like to outthink the men. Two or three should be included in your panel if possible. Keep the size of the group down to 12 so that everyone has an opportunity to participate.

Second, you need a problem. There is no use having a panel without a problem. This problem should be carefully worded. Large problems should be sub-divided. This might be done in a brainstorming session by thinking up all the related problems. The "applying executive" presents the problem, answers questions relative to its definition and then leaves. When he stays around the panelists may be reluctant to spring wild ideas and he will have a difficult time not looking negative.

The third phase is the follow-up. The best ten out of the 100 ideas should be developed further before presenting to the boss. He may not understand brainstorming as well as you do. Here is where judgment comes into play. Here is where you look into some of the possible objections or drawbacks to using the idea. There may be a creative aspect to further develop the idea too. Panelists whose minds have been stimulated to thinking about the problem will have some excellent ideas after it is over. Be sure to make use of them.

Keep these simple rules in mind and your brainstorm is sure of success.

1. *Judicial Judgment is ruled out.* Use a bell to prevent premature cold water from being thrown on the idea.
2. *Free-Wheeling is welcome.* The wilder the idea the better. It is easier to tame them down than think them up.
3. *Quantity is wanted.* The more alternatives the better the chance of a successful solution.
4. *Combination and Improvement are sought.* Snap your fingers when you have a "hitch hike" on someone else's idea.

Brainstorming may not always be the perfect way to get an answer to your problem. Your answer is not guaranteed. But if you have a problem, if you feel stumped in your current approach—try Brainstorming.

Bradford C. Loveland
Department Chief
Western Electric Company
Defense Projects

---

do, and what results he was trying to obtain or achieve.

One measure of a good manager is how well he has his people working together *enthusiastically*. The average person will do anything to achieve a goal if he thinks it is worthwhile. One very real evidence of this is the number of people who are working all kinds of hours without financial remuneration on outside activities such as Community Chest, Red Cross and Church programs.

One word of caution about motivation. It is that motivation is not a matter of manipulation or using techniques which may prove helpful in stimulating people over the short run, such as gladhanding and back slapping or what is sometimes referred to as *politicking*. Nor is it to be confused with such ineffective devices as making promises which you can't fulfill. Above all, you have to realize that the average person is not stupid; he will soon see through any insincerity on the part of those around or above him.

Therefore, in dealing with others bear in mind that the greatest returns for all can be obtained when each member of the group is properly motivated. It is the responsibility of each of us to use motivation in our day-to-day activities. We can carry out this responsibility if we have the will and determination to do so.

DOWN WITH BRAINSTORMING!

THE conclusion arrived at by Dr. Donald W. Taylor, of Yale, after experiments conducted with the aid of ninety-six Yale students, to wit: that "brainstorming" is a helluva way to try to get things done, comes as no surprise to mature business men familiar with this modus operandi. The brainstorm, like the thunderstorm, is productive largely of washouts.

Actually, the so-called "method" is not new. Like old-fashioned cold cream that has been emulsified, homogenized and rebottled as "Melon Mist," "brainstorming" is just Madison Avenuese for "button-pushing," "the committee plan," "assembly of the Palace Guard" or any of several other terms descriptive of summoning a group composed largely of incompetents to do a job that could best be accomplished by one or two qualified people working alone.

Just how the "brainstorming" technique developed is not clearly documented. But it seems logical that it must have been introduced by some one suffering the manic-depressive type of paranoia and who, therefore, functioned best in a state of cyclonic confusion, or else by some one afflicted with solophobia (fear of being alone). In any case, "brainstorming," by whatever other name it smells, probably has generated more senseless comment on serious subjects than any communications device ever conceived, with the possible exception of the undergraduate "bull session." In fact, some "brainstorming" sessions have been known to bear a striking resemblance to the "bull session," particularly when called in the afternoon when the blue-gray effluvium of many long cigarets deeply inhaled blends with the magically mellow miasma of the midday martinis to create an atmosphere in which men can really think constructively about . . . well . . . about oh, so many things.

The "brainstorming" theory probably does not work well for much the same reason the "chimpanzee hypothesis" of the Information Theory does not work well. The hypothesis named holds that if several chimps were closeted indefinitely to peck away at typewriters, they eventually would reproduce Shakespeare's sonnets. Analogously, the "brainstorming" theory holds that if several chimps were closeted indefinitely to peck away at each other's skulls, one or more nuggets of wisdom might be dislodged in the process.

Neither supposition has practical application either in industry or in publishing, for both depend upon the unfoldment of the Law of Averages, a process which, though inexorable, need not produce practicable results in our lifetime, as many horseplayers can attest.

THERE is another obvious reason why both procedures are unrewarding. The one or two chimpanzees who might have literary talent and even a taste for sonnets (a rare thing), find their creative talents stifled by the aimless clatter, chatter and fidgeting of those who have no real feeling for the subject. Similarly, when trapped in a "brainstorming" session with a number of persons who, though remarkably skilled at their own specialties have no bent for the problem at hand, the one or two qualified participants become deeply inhibited. Result? Any one with anything constructive to say doesn't say it in a "brainstorming" session. To do so would only inspire additional uneducated comments enabling the majority to prolong the discussion until they can dash directly to the "5:20" while the guys who have to get the job done amble back to their cells, lame of mind and seat.

Yet, for all of this disparagement, "brainstorming" does have certain questionable advantages and, therefore, may be expected to persist on the fringes of legitimate commerce. For some bosses it is a means by which they may blame everybody for their failure and credit nobody for their success. For the brainstormers themselves the system has the effect of safety in numbers. The comfort is that you can't fire all the group. Who'd be left to run the business?

Henry Theodore Rowe
Sales Executive
New York City

(*Reprinted from New York HERALD TRIBUNE, March 27, 1958, by permission.*)

Meet Your 1958-59 National Officers

Chairman of the Board

HOMER E. LUNKEN

Mr. Lunken has been with The Lunkenheimer Company of Cincinnati since 1935, serving that firm as Salesman, Sales Promotion Man, Director of Personnel Relations, Assistant General Manager and Vice President and Assistant General Manager. He is also a director of the company.

In addition to his activities as an officer of the Society for Advancement of Management, (National Vice President, Treasurer, President and currently Chairman of the Board), Mr. Lunken is active in civic affairs and is currently serving as Chairman of the Building Committee, Member of the Executive Committee, and Trustee of the Cincinnati Children's Hospital; as Secretary; Chairman of the Retirement Board, and Director of the Ohio Mechanics Institute; as First Vice President of the Cincinnati Post of the American Ordnance Association; as Member of the Cincinnati Boy Scout Council; President of the Board of Trustees of the Cincinnati College of Prep School for Girls; Member of the Advisory Board of the Greater Cincinnati Foreman's Club, and a Director of the American Savings and Loan Company of Cincinnati.

Mr. Lunken attended Brown University and the University of Cincinnati, and served with the U. S. Air Force in 1941 as a First Lieutenant.

LET'S HAVE A BRAINSTORM

NEED an idea? Stymied on your project? Looking for a better answer? Why not try brainstorming? Bring your creative facilities to focus on the problem. Put aside these judicial thoughts. Everything I think of has been tried at least once. It's so obvious someone else must be doing it. Or this idea is so far-fetched it's crazy. We all have good ideas floating around in our head. The problem is how do we shake them out?

Brainstorming provides a solution to this problem. Alex F. Osborne has embarked on a career to stimulate the use of our creative imagination. The evidence that this program is succeeding can be found in newspapers, magazines, businesses and government. If we are to move ahead, the satisfaction of saying, "We have done it this way for twenty years, therefore, it must be good," has got to go.

Brainstorming means using the brain to storm a problem commando fashion. It can be practiced individually or in groups. The key to success is delaying critical judgment of the new ideas until later. Ideation sessions, as they were first called, were begun in 1939 by Alex Osborne, cofounder of the BBDO Advertising Agency (Batten, Barton, Durstine and Osborne) and President of the Creative Education Foundation. Early groups dubbed these ideation sessions—Brainstorms.

Ideation, says Webster, is "the function or capacity of the mind where by it entertains an idea." Ideation is much more productive if judgment is concurrently excluded. This is difficult at the start because we are trained to be good judges and to apply critical analysis. Nevertheless college experiments have proven that ideation is ten times as productive without judgment. You can't run hot and cold water out of the same tap without getting luke warm water. We're not looking for luke warm ideas.

Group ideation is combining the techniques used in individual ideation into a creative conference atmosphere. This is a new type of meeting, not dominated by critical thinking. New ideas are not subjected to the axes of the rest of the conferees. Instead, constructive positive thoughts must be advanced toward the solution of the problem. In one company where engineers meet weekly to discuss their problems, the discussion is opened by securing a positive suggestion from each of the other engineers in the room. Many times an individual remote to the details of the problem has the key to its solution. Many a wild idea has brought forth a practical solution.

Quantity is important. Through quantity comes the quality for which we are searching. Six to ten percent is average for good ideas from a brainstorm session. Set yourself a time limit, a total number of ideas to be gathered, then try to beat it. Squeeze out the last idea because your last idea will probably trigger two or three other ideas from the group. Don't concern yourself with how wild it is. Let someone else tame it down.

So much for the philosophy, how do we start? First, you need a panel. This panel should be composed of a core of five good idea producers. The remainder of the panel can be guests who are familiar with the problem. For example, if you are looking for ways to improve shotguns, it would be a good idea to invite some hunters. Women are very creative and like to outthink the men. Two or three should be included in your panel if possible. Keep the size of the group down to 12 so that everyone has an opportunity to participate.

Second, you need a problem. There is no use having a panel without a problem. This problem should be carefully worded. Large problems should be sub-divided. This might be done in a brainstorming session by thinking up all the related problems. The "applying executive" presents the problem, answers questions relative to its definition and then leaves. When he stays around the panelists may be reluctant to spring wild ideas and he will have a difficult time not looking negative.

The third phase is the follow-up. The best ten out of the 100 ideas should be developed further before presenting to the boss. He may not understand brainstorming as well as you do. Here is where judgment comes into play. Here is where you look into some of the possible objections or drawbacks to using the idea. There may be a creative aspect to further develop the idea too. Panelists whose minds have been stimulated to thinking about the problem will have some excellent ideas after it is over. Be sure to make use of them.

Keep these simple rules in mind and your brainstorm is sure of success.

1. *Judicial Judgment is ruled out.* Use a bell to prevent premature cold water from being thrown on the idea.
2. *Free-Wheeling is welcome.* The wilder the idea the better. It is easier to tame them down than think them up.
3. *Quantity is wanted.* The more alternatives the better the chance of a successful solution.
4. *Combination and Improvement are sought.* Snap your fingers when you have a "hitch hike" on someone else's idea.

Brainstorming may not always be the perfect way to get an answer to your problem. Your answer is not guaranteed. But if you have a problem, if you feel stumped in your current approach—try Brainstorming.

Bradford C. Loveland
Department Chief
Western Electric Company
Defense Projects

---

do, and what results he was trying to obtain or achieve.

One measure of a good manager is how well he has his people working together *enthusiastically*. The average person will do anything to achieve a goal if he thinks it is worthwhile. One very real evidence of this is the number of people who are working all kinds of hours without financial remuneration on outside activities such as Community Chest, Red Cross and Church programs.

One word of caution about motivation. It is that motivation is not a matter of manipulation or using techniques which may prove helpful in stimulating people over the short run, such as glad-handing and back slapping or what is sometimes referred to as *politicking*. Nor is it to be confused with such ineffective devices as making promises which you can't fulfill. Above all, you have to realize that the average person is not stupid; he will soon see through any insincerity on the part of those around or above him.

Therefore, in dealing with others bear in mind that the greatest returns for all can be obtained when each member of the group is properly motivated. It is the responsibility of each of us to use motivation in our day-to-day activities. We can carry out this responsibility if we have the will and determination to do so.

DOWN WITH BRAINSTORMING!

THE conclusion arrived at by Dr. Donald W. Taylor, of Yale, after experiments conducted with the aid of ninety-six Yale students, to wit: that "brainstorming" is a helluva way to try to get things done, comes as no surprise to mature business men familiar with this modus operandi. The brainstorm, like the thunderstorm, is productive largely of washouts.

Actually, the so-called "method" is not new. Like old-fashioned cold cream that has been emulsified, homogenized and rebottled as "Melon Mist," "brainstorming" is just Madison Avenuese for "button-pushing," "the committee plan," "assembly of the Palace Guard" or any of several other terms descriptive of summoning a group composed largely of incompetents to do a job that could best be accomplished by one or two qualified people working alone.

Just how the "brainstorming" technique developed is not clearly documented. But it seems logical that it must have been introduced by some one suffering the manic-depressive type of paranoia and who, therefore, functioned best in a state of cyclonic confusion, or else by some one afflicted with solophobia (fear of being alone). In any case, "brainstorming," by whatever other name it smells, probably has generated more senseless comment on serious subjects than any communications device ever conceived, with the possible exception of the undergraduate "bull session." In fact, some "brainstorming" sessions have been known to bear a striking resemblance to the "bull session," particularly when called in the afternoon when the blue-gray effluvium of many long cigarets deeply inhaled blends with the magically mellow miasma of the midday martinis to create an atmosphere in which men can really think constructively about . . . well . . . about oh, so many things.

The "brainstorming" theory probably does not work well for much the same reason the "chimpanzee hypothesis" of the Information Theory does not work well. The hypothesis named holds that if several chimps were closeted indefinitely to peck away at typewriters, they eventually would reproduce Shakespeare's sonnets. Analogously, the "brainstorming" theory holds that if several chimps were closeted indefinitely to peck away at each other's skulls, one or more nuggets of wisdom might be dislodged in the process.

Neither supposition has practical application either in industry or in publishing, for both depend upon the unfoldment of the Law of Averages, a process which, though inexorable, need not produce practicable results in our lifetime, as many horseplayers can attest.

THERE is another obvious reason why both procedures are unrewarding. The one or two chimpanzees who might have literary talent and even a taste for sonnets (a rare thing), find their creative talents stifled by the aimless clatter, chatter and fidgeting of those who have no real feeling for the subject. Similarly, when trapped in a "brainstorming" session with a number of persons who, though remarkably skilled at their own specialties have no bent for the problem at hand, the one or two qualified participants become deeply inhibited. Result? Any one with anything constructive to say doesn't say it in a "brainstorming" session. To do so would only inspire additional uneducated comments enabling the majority to prolong the discussion until they can dash directly to the "5:20" while the guys who have to get the job done amble back to their cells, lame of mind and seat.

Yet, for all of this disparagement, "brainstorming" does have certain questionable advantages and, therefore, may be expected to persist on the fringes of legitimate commerce. For some bosses it is a means by which they may blame everybody for their failure and credit nobody for their success. For the brainstormers themselves the system has the effect of safety in numbers. The comfort is that you can't fire all the group. Who'd be left to run the business?

Henry Theodore Rowe
Sales Executive
New York City

(Reprinted from New York HERALD TRIBUNE, March 27, 1958, by permission.)

Meet Your 1958-59 National Officers

Chairman of the Board

HOMER E. LUNKEN

Mr. Lunken has been with The Lunkenheimer Company of Cincinnati since 1935, serving that firm as Salesman, Sales Promotion Man, Director of Personnel Relations, Assistant General Manager and Vice President and Assistant General Manager. He is also a director of the company.

In addition to his activities as an officer of the Society for Advancement of Management, (National Vice President, Treasurer, President and currently Chairman of the Board), Mr. Lunken is active in civic affairs and is currently serving as Chairman of the Building Committee, Member of the Executive Committee, and Trustee of the Cincinnati Children's Hospital; as Secretary; Chairman of the Retirement Board, and Director of the Ohio Mechanics Institute; as First Vice President of the Cincinnati Post of the American Ordnance Association; as Member of the Cincinnati Boy Scout Council; President of the Board of Trustees of the Cincinnati College of Prep School for Girls; Member of the Advisory Board of the Greater Cincinnati Foreman's Club, and a Director of the American Savings and Loan Company of Cincinnati.

Mr. Lunken attended Brown University and the University of Cincinnati, and served with the U. S. Air Force in 1941 as a First Lieutenant.

A Statistical Training Program For Management

by Clifford C. James

Dean of the University of Baltimore School of Business, Industry and Management

and

by B. J. Mandel

Chief of the Statistics Branch Federal Bureau of Old-Age and Survivors Insurance Washington, D. C.

TODAY, statistics is firmly established as an indispensable tool of scientific management, yet many managers do not know how this vital tool can be used to their advantage.

Statistics is the basic tool of decision-making and is the crux of such important management functions as market and scientific research, budgeting and forecasting, purchasing, production planning, quality control, engineering, etc., yet there is inadequate understanding of this powerful tool, even among many persons working in these fields.

Which means that most managements are not making full use of statistical data available to them, and their management decisions are based more on instinct than facts.

One reason for this lack of understanding is that statistics was a rare course in our colleges during the college years of most of today's key executives, so that they do not fully appreciate how vital this tool is to them as managers. In fact, many collegiate management programs of today still do not have an adequate statistical curriculum.

Management spends considerable money on training their key personnel in human relations, public relations, supervision and decision-making, and yet the simple principles of statistics and quantitative as well as qualitative thinking, which is the core of these functions, are seldom included in these courses.

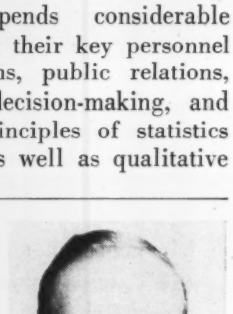
If our current managers and their staffs are to appreciate the value of statistics and apply it on a wider scale to assure sounder scientific management it is essential that they acquire a basic understanding of this tool.

It is foolhardy for a manager to wrestle with a decision that may mean tremendous loss to a business or organization and rely solely on his instincts and the advice of others, when a statistical analysis of all the relevant facts involved in the problem would give him a sound, scientific basis for judgment.

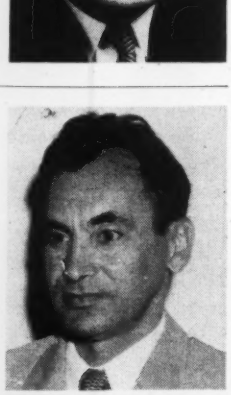
Why Management Should Acquire Statistical Knowledge

There are many reasons why it is essential for management to understand statistics.

Wider Use of Statistical Data In Management—A statistical minded manager can more quickly recognize problem areas in which statistics can be profitably used and he knows what to look for and how to get the vital facts



DR. JAMES is also well known as a management consultant. He is a member of the executive board of the National Council for Small Business Management Development. In 1956 he was given the S.A.M Baltimore Chapter's Outstanding Management Award for his leadership in management education.



MR. MANDEL also acts as consultant to the Federal Bureau of Old-Age and Survivors Insurance, on management and operational studies involving the science of Statistics. He is Chairman of Statistics Curriculum at the University of Baltimore and visiting lecturer in Statistics; He is the author of *Statistics For Management: A Simplified Introduction to Statistics,* a textbook in introductory statistics that has had wide acceptance by colleges and management. He has written and lectured extensively on statistical applications in management and quality control.

necessary. More important, he knows how to use these data in his decision-making.

Improved Communications—By understanding statistical concepts and the statistical viewpoint, the manager is able to communicate more readily with the professional statistician and research staff. Albert Einstein once said, "The formulation of the problem is often more essential than its solution." Clarifying the problem and expressing or cataloging it in quantitative or in numeric terms is the first step in decision-making.

Thinking statistically, which is very much unlike qualitative thinking, includes deciding on the use of a quantitative approach to the problem, on the type of statistical measures (such as averages or percentages) to use, the amount of error that may be tolerated in the final data and the numerically expressed risks management is willing to take in making decisions based on the data.

With a statistical background, management understands the problems involved in fact-finding and can thus avoid frustrations and misconceptions in company research projects and assure the most effective use of compiled data.

It is important to know that the science of statistics and the statisticians who help to apply it do not challenge management's position, as some managers fear, but aim to strengthen it. The main task of the statistician is, with management approval, to design the methods for collecting data about processes under management control and, by appropriate analysis of the facts, point out probable abnormalities for management's guidance. Management, not the statistician, has the responsibility for investigating these abnormalities and making decisions and, in general, managing the organization.

Risk in Decision-Making—Most statistical decisions are based on samples. Whenever samples are used in making a decision, a risk of being wrong exists. Management must be able to understand the nature and limitations of sample results and the meaning of "risk" or "confidence" in statistical decision-making, in order not to be misled into believing in the infallibility of statistics.

Statistical Studies Require Trained Staff—Sound statistical studies require the services of trained professional statisticians to yield valid results with the least possible cost. Management cannot expect good statistical results by assigning the function of statistical collection and interpretation to the budget analyst, clerk, or bookkeeper in the office or foreman or technician in the plant. Only by appreciating the scope, technique, and philosophy of the science of statistics as well as some of the many possible pitfalls can management become more conscious of the professional aspects of statistics.

Confidence and Peace of Mind—Finally, the manager will become a more confident administrator, with greater peace of mind, by knowing the basic elements of statistics and using them to reduce complex operations to simplified, systematic terms.

More important, he will make less mistakes and will be better able to control the mistakes of others in his organization.

What Elements of Statistics Should Management Learn?

Statistics is a vast field of study, with many technical and complicated methods and formulas, many special concepts and principles and the average course in statistics is frightening to most people.

To understand and appreciate statistics, however, management need be exposed only to the key elements of statistical practice and theory, including the following three broad phases of statistics: (1) The scientific method of decision-making and ways of quantifying processes. (2) The main statistical methods of fact-finding and interpreting data. (3) The most important basic principles and concepts underlying statistics.

This coverage can be presented in a fascinating course of study, allowing all kinds of interesting illustration possibilities.

Let us look at these phases:

The Scientific Method of Decision-Making and Ways of Quantifying Processes—This involves following systematically and in logical sequence six main steps in decision-making, namely, problem clarification, planning study design, collecting data, tabulating, analyzing and presenting the final results. In addition, management should learn the different ways by which a problem can be quantified or expressed numerically, such as use of a mail questionnaire, use of a personal interview, locating data already compiled, measurement, tabulating from company records or observation. By understanding the variety of ways of quantifying activities or processes, management is more apt to convert problems into statistical terms and thereby reap the advantages of statistical decision-making.

The Main Statistical Methods of Fact-Finding and Interpreting Data—An understanding of only a half-dozen statistical methods of analysis out of the hundreds in existance, can do wonders to shed light on numerous management problems.

Let us examine these methods:

Percentages—are the simplest of the

THE INTERNATIONAL SYSTEMS MEETING

•

October 13-14-15, 1958
Penn-Sheraton Hotel — Pittsburgh

•

ONLY MAJOR U. S. CONFERENCE
DEVOTED EXCLUSIVELY
TO THE SYSTEMS FIELD

•

Sponsored for the
11th Consecutive Year by the
Systems and Procedures Association

•

Mail Address:
1958 International Systems Meeting
Penn-Sheraton Hotel, Parlor 70 M
Pittsburgh 19, Pa.

statistical measures and can be an important management aid, because when a quantified problem has been reduced to a percentage of the total problem, one can get a better perspective, dismiss relatively minor matters and concentrate on the relatively important ones. For instance, if the total market potential is reduced to percentages, greater sales effort can be concentrated on the part of the market that has the greatest potential, expressed as a percentage of the total.

Frequency distributions—are a way of making sense out of a mass of raw statistical data about a process, product, or activity; for example, by showing how many pieces of a given product are of different magnitudes of a specified dimension, or how many fall in different size groups. In the inspection of bricks, for instance, a frequency distribution by the weight of each brick, if plotted as a graph would show the graphic pattern, or shape, of the weight-quality and would thereby indicate if the manufacturing process is operating effectively or not.

Averages—have several valuable uses in management analysis, such as in setting standards of performance, or salary bases, or estimating totals. Different averages have different meanings and methods of determination, and it is vital that management men who rely on averages in decision-making know these meanings and methods. They should also know that not all data can be analyzed by an average and what are the proper uses and pitfalls of averages.

Variation—Practically all phenomena under management's supervision vary and the action or decision may be quite different, depending on the extent and pattern of variability involved. Therefore, an understanding of the magnitude of variation in the important aspects of business and management will mean better informed management decisions and actions. For instance, statistical measures of variation can distinguish between consistent and inconsistent workers; between reliable and less reliable machines or material.

Association—Many events or actions are "led" by other related events, thus providing a basis for predicting the magnitude of a given or "dependent" event from observations of the magnitude of the preceding or "independent" event. This field of study is usually identified as correlation and regression analysis, and many valuable uses have been made in it, primarily in forecasting. For example, Sears Roebuck and Company estimates, by correlation, daily receipts from the weight of its mail early in the morning and has thus increased its operating efficiency substantially. Eli Lilly and Company estimates sales volume with considerable accuracy several months in advance by correlation analysis, because it found the total sales volume of its industry bears a definite and measurable relationship to consumers' personal disposable income as compiled by the U.S. Department of Commerce. Gasoline sales and sales of automobile supplies are estimated from data on automobile registrations and miles of highway construction. There is practically unlimited use of statistical correlation analysis in management problems.

Scientific sampling—is widely used as a basis for fact-finding and should be understood by management. A main idea in selecting a scientific sample from a given population (or file) is that each person (or unit) must have a known chance to enter the sample, not necessarily an equal chance. For instance, if we wish to find out the average height of a group of 1,000 persons by a sample of 100 persons, the method of sampling should assure each person an equal chance of being included in the sample—in other words, 1 in 1,000. In constrast, in selecting a sample of 100 retail stores out of a total of 1,000 stores, we could consider the larger stores to be more important, and therefore these should be given a better chance of selection than the smaller ones.

The Most Important Principles and Concepts Underlying Statistics

Theory and practice are closely interwoven in statistics and a balanced presentation must include both the methods and the principles. Fortunately, the basic principles of statistics are few in number compared with the large variety of statistical methods and measures. The most important principles that management should understand are:

The laws of sampling and probability—These principles, which cannot be justly described in a brief paper such as this, provide the basis for determining the size of sample to use in any given fact-finding problem, the extent of error in estimates based on samples, and the risk of making a wrong decision based on these estimates.

The theory of normal distributions—Discovered over 150 years ago, after extensive research into the nature of many types of the frequency distributions, is now the underlying theory used in explaining variations in manufacturing processes. For example, the frequency distribution of nails coming off a certain process, by length of nail, should tend to form the pattern of a bell. If the expected pattern does not materialize a guide for management action relative to this production process exists.

The concept of error in data—Management should understand this concept as it will give him an appreciation of the problems of error involved in fact-finding surveys, the reasons for the statisticians' efforts to control them, and the special skills needed to design procedures for error-control. The three main sources of error are—human or natural mistakes, which tend to offset each other in the long run; sampling error, caused by chance; and unsystematic errors which cause biases in the results either on the plus or minus side.

Content Of A Sound Statistical Training Program for Management

But, it is important that we recognize that there are other ingredients to be added if the training program is to be fully successful. Above all, we must create interest in the course, because statistics is generally considered a dry, boring and difficult subject and we must dispel this mistaken idea.

This can be best done by building the course around case studies, giving illustrations of statistical applications in recognizable current-interest projects, such as public opinion polls, Kinsey studies, industrial production, marketing analysis, etc. This method used at the University of Baltimore's School of Business, Industry and Management for over 12 years, has made Statistics one of the most popular courses in the management curriculum.

Another vital ingredient in the successful statistical training program is a simplified textbook. Unfortunately, most texts on statistics are highly technical and involved and are not easy to read or understand. The statistics text for management and business students should present only a limited area of the wide field of statistics, so that the student will not be overwhelmed. It should cover the elements of statistics which business managers can use most

(Continued on page 31)

The Ends Of Organization: A Reply

IN THE March, 1958 issue of *Advanced Management*, Lyndall F. Urwick aimed his shotgun at Milton J. Nadworny in an article titled *The Integrity of Frederick Winslow Taylor*. It is not my intention to participate in this controversy although I am very much moved to do so. Rather, I would like to comment briefly on certain observations about the ends of organization that Urwick now appears to believe in but which he attacked me for holding some time ago.[1] I ask permission to set the record straight at this juncture on my public position, in a debate which bids fair to become a continuing joust between the traditional school of organization and a new school of which I, and perhaps Nadworny, are members.

Because Taylor is not present to state how his methods would relate to his philosophy, we must assume that what Urwick is really expressing are his own ideas and interpretations about these two aspects of management. I assume that the section titled *Can Taylor's Methods be Divorced from His Philosophy?* reflects Urwick's stand about "scientific management" and its role in the world today.[2] I assume the same to be true of the section which bears the heading *What was Taylor Really Saying?*[3]

Urwick now makes the point that ". . . business, any business, should not be regarded as a piece of property belonging to the stockholders but as a system of human cooperation."[4] In the earlier attack on myself, he argued that "this tendency (which) is alarmingly prevalent in American literature about business at the present time . . ."[5] Ironically, less than two years ago he heartily disagreed with me for holding a position which he now makes much more forcefully than I did earlier.

The key comment—on which most of Urwick's analysis about Taylor's position rests—is perhaps the following:

> *If they are the material and moral well-being of those who work in industry, the elimination of arbitrariness from relations between those who work and those who manage, raising the standard of living of all categories of citizens, giving to each individual the fullest opportunity for "life, liberty and the pursuit of happiness" which he or she is capable of using, then Taylor's ideals and those of the labor movement were identical."*[6]

These evidently are Urwick's ideals—perhaps they also represent those of Taylor—and they are laudable indeed. I have never gone this far in describing the ends of organization—for the ends of organization and values of society are often in conflict—yet Urwick claimed just recently that:

> *It would accord with the irony which so often illumines human affairs if students of Management, having struggled for half a century to convince economists that man is a social as well as an economic animal, found themselves engaged for a further half century in trying to convince sociologists that* business enterprises have an economic purpose to which their social living must be oriented.[7]

Toward the end of his attack on Nadworny, Urwick claims that management "is a field of human knowledge which is ultimately wider and of greater importance than either capitalism, socialism or communism, Employers' Associations or Trade Unions."[8] I fail to see how he can rationally defend this position in view of his earlier comments. Urwick's system of values evidently embraces "life, liberty and the pursuit of happiness," as does my own, and I know that this is also Nadworny's ethical position. But, if these values are also those of Soviet Russia, then we have indeed been sadly deluded the last few years. It is my contention that the ends of organization must always be related to the values of the society—and mankind will not have a general theory of management until it develops much more agreement on what "ought to be" than it has succeeded in doing at this point in history.

Further, I believe that the values of Jeffersonian Democracy are hardly applicable to "scientific management" which, like logical positivism, always avoided taking an ethical position. In other words, to argue that scientific management ". . . ceases to be scientific management when it is used for bad"[9] is akin to saying that nuclear physics ceases to be scientific when it constructs a bomb capable of destroying millions of people. If we wish to call a spade a spade, instead of a hoe, let's call it "ethical management."

It was, after all, Urwick himself who many years ago wrote the following:

> *In short, if a test is required as to whether any individual is or is not seized with the scientific standpoint, it may be found in his habitual method of expressing himself in relation to business decisions. The man who has ceased to talk about "my experience" and is beginning to talk about "my experiments" is at least beginning to understand the full significance of the scientific approach.*[10]

Professor Waino W. Suojanen

School of Business Administration
University of California
Berkeley, California

---

1 Lyndall F. Urwick, "The Span of Control —Some Facts about the Fables," Advanced Management, *November*, 1956, *pp.* 14-15.
2 Advanced Management, *March*, 1958, *p.* 10.
3 Ibid., *pp.* 15-16.
4 Ibid., *p.* 10, *col.* 3.
5 Advanced Management, op. cit., *November* 1956. *p.* 14, *col.* 3.
6 Ibid., *p.* 12, *col.* 3.
7 Advanced Management, *November*, 1956, op. cit., *p.* 15. *Italics supplied. I am not a sociologist but do feel that students of management can learn a lot from them—as they can from economists, as well as many other varieties of social and behavioral scientists.*
8 Advanced Management, *March* 1958, op. cit., *p.* 16.
9 Ibid., *p.* 14, *col.* 2.
10 *L. Urwick*, The Meaning of Rationalization, (*London; Nisbet and Co., Ltd.*, 1929), *p.* 32.

Work Load Incentives

by Peter E. Dutcher

Chief Time Study Engineer
Rome Cable Corporation
Rome, N. Y.

INCENTIVE plans, although good for both labor and management, have weaknesses and fallacies that tend to irritate both labor and management. Because of this some incentive plans have been discarded, and in some cases, considered merely necessary evils. The success of incentive plans have been good, bad and indifferent depending on the type of manufacturing, the company attitudes, products, et cetera.

Work loads and work load incentives can eliminate a number of weaknesses and fallacies that affect both labor and management. Work load incentives can be explained, in one way, by pointing out some of these weaknesses and fallacies and explaining what most incentives do *not* do. For example, on weaknesses:

1. One man is operating a machine at a given speed. The company increases the speed of that machine or purchases a new one of higher speed. What happens to the incentive? New rates, grievances and time-consuming studies are required, and possibly the man gets more money or the same amount of pay.

2. One man is running four machines. The company gives him six machines to run. Here again gripes and so forth. The operator claims he is turning out 50% more production and management claims they didn't need more than four machines in the beginning, but that the operator could run six machines.

3. Three men are running one machine. Through method changes etc., it is found that two men can run the machine. Here again the gripe, "We're doing more work; we should get more money!" And if they get more money management says, "How come the earnings are out of line on that machine"?

4. Two men are piling stock. One man delivers the material on a hand truck and waits while the second man is piling it. The second man waits while the first man is delivering it. If one man is asked to do this job in approximately the same amount of time, again a problem occurs.

In general, labor resists if:

1. A man is given a harder job to do.
2. A man is asked to run more machines in a group.
3. A crew on a machine is reduced.
4. A man is asked to handle additional duties.
5. A newer, faster machine replaces an old one.

Now let us look at some of the fallacies of the quite common methods of setting standards:

A common method of setting a standard is to find out how much production is produced by a normal operator. To do this the amount of time the machine should run is measured and the amount of time it should be down is measured. This machine and downtime is then increased by an unavoidable delay allowance and personal and fatigue allowance. Payment is then made on this length of time.

Now, lets look deeper into the machine and downtime method. A machine runs 10 minutes and is down 2 minutes for changeover for a total of 12 minutes. During the ten minutes of run the operator checked his speeds, got new material ready and then was completely idle for the balance of his time. His checking time and getting material took 5 minutes. Now his production time was 10 minutes plus 2 minutes for a total of 12. His work time was 5 minutes plus 2 minutes for a total of 7. The operator worked 7 minutes out of 12.

The next order run takes 20 minutes of run-time plus the same changeover and work-time. Here the work-time is 7 minutes out of 22 minutes. Under both conditions the operator receives the same incentive pay with one job being easier than the next.

Someone would be bound to say, "Yes, but for the other fifteen minutes he has to watch the machine". An answer here

MR. DUTCHER has had twenty-six years experience in Industrial Engineering, and has been with the Rome Cable Corporation since 1946. He served with Revere Copper and Brass Company from 1929 to 1946, when he went to his present position. He is a member of the Society for Advancement of Management's Central New York Chapter.

would be, "If the machine speed was doubled so that the run time was 10 minutes instead of 20 could he still watch it?" If not, he is doing an impossible job on the other order that ran 10 minutes.

Now, lets take personal and fatigue time on rates that are set on a machine and down-time basis. Here personal and fatigue time are given for the needs and tiring effect on the operator. Yet, under machine and down time methods of giving a percentage allowance on the productive time of the job, a machine, in one sense, is given an allowance for going to the lavatory.

Unavoidable delays, also, by using machine and downtime methods and applying percentage allowances create fallacies and skewness in rates. Here, the longer the machine runs, the more time allowed for delays, when actual studies might show the opposite conditions.

Under the machine and downtime method the pay of the easiest job becomes a bench mark and all jobs that are harder become a subject for crabbing even though earnings are higher than normal.

To explain "Work Load Incentives" I would like to outline a personal belief. I believe that somewhere in the past 20 to 40 years industrial engineering got off the beaten path. Most jobs, years ago, were done "by hand", bench jobs, or manually operated machines. It was in the days of overhead line shafts, belt drives, with constant attention and work at each machine. Today, hand jobs are done partially by machines and machines have improved with individual motors, automatic stops, feeds etc. As a result, timestudy in the old days was a timing of the individual's work, and generally, if a machine was involved, it still was a timing of the individual's work.

DURING this transitionary period of changeover the timing swung from the amount of work the individual was doing to the machine and downtime type of study with emphasis on how long the machine should be down and how much production would be turned out. It was here that Industrial Engineering got away from how much work was done by the individual, but only in knowing how much production the machine and man turned out together. It was here, as I previously stated, that personal and fatigue time was given for the machines to take care of its personal needs.

Work Load is the pure work time of the individual and not the production time of the job. The production is the measurement of the amount of work done by the individual or groups of individuals. Incentive pay increases or decreases in proportion to work.

Work is all of the physical requirements of the job as well as attention. *Attention* is when the individual is apparently idle in the vicinity of his job, but still may be using his eyes, ears, nose, throat and brain in conjunction with performing his job.

When measuring work or production it is found that industries have four basic types of jobs:

1. Hand Assembly or bench jobs. This type of job is performed by one individual. Mechanical equipment used is manually operated. Here work time and production time generally are one and the same.
2. One-Man Machine Operations: This type of job has time involved where the operator waits or gives attention while the machine is running. Here the amount of work can be the same or less than production time depending on types of orders, product mix, speeds and etc.
3. One man running a group of machines: Work time here again is the same as No. 2 as well as varying according to the number of machines operated.
4. A. Two or more men operating a machine or (4B) two or more men performing the same job. 4A is the operator, helper type of machines and here work loads can vary considerably by individuals and in respect to amount of production. 4B is the type of job that might be a hand assemble job but because of heavy physical requirements at times, would require more than one person. It would also be the type of job found in maintenance jobs, machine shops, and indirect labor. 4B work loads would also vary in respect to productive speeds.

Work loads and work load incentives have many features that meet the requirements of being good for both labor and management.

1. Earnings are balanced according to the amount of work the individual did.
2. Incentive rates can be established on jobs that previous thoughts felt might be impractical. i.e. Maintenance, Machine Shops, Service Jobs, Indirect labor, and for that matter, any work in industry performed by people.
3. Job evaluation can be improved upon by having a better knowledge of all jobs. On the basis that job evaluation tells what the requirements of a job is, work loads tell how much of those requirements are done in a normal day.

JOB evaluation and work load incentives together would tend to show the following picture: Job evaluation tends to show that the higher the mental requirements, i.e., knowledge, training, skills, the higher the base rate. The jobs of floormen, etc., are usually low in comparison. Work loads show that the lower the rated job the larger amount of time required for that work. The higher rated jobs, due to mental requirements, use less of those requirements during the day. A floorman during a day might be required to constantly pile, stack, etc. A high-rated machine operator would get more breaks during the day due to the machine time. Although not always the case there is a tendency for the following pattern:

Under work loads it would be possible for a helper on a machine to make as much total pay as an operator. A higher rated operator working 40% of his time would not make as much incentive pay as a helper working 80% of his time yet total pay would be comparable.

4. Work load incentive rates, for most method changes, do not have to be changed at all or require only minor changes. Industrial improvements are done by two basic methods. Method No. 1 is created by better utilization of peoples time. This in turn is done by the five previous listed methods that labor resists.
   1. A man is given a harder job to do.
   2. A man is asked to run more machines in a group.
   3. A crew on a machine is rereduced.
   4. A man is asked to handle additional duties.
   5. A newer faster machine replaces an old one.

All of the five listed methods are accomplished by people doing more work and this type of job would not require incentive rates to be changed

or would need only minor changes in rates.

With work load incentives on the above five items it is possible to eliminate many of the gripes of labor and management. On number 2 (A man is asked to run more machines) rates do not have to be changed at all.

Example: It is possible to have a group of 30 machines with 1 to 10 operators each paid independently. The number of machines per operator can be changed each shift or day, and additional machines can be purchased and added to the group with no change in incentive rates for any of the above conditions.

In actual practice an operator thanked his foreman for giving him two additional machines to run. In another case an operator who had 10 machines to run grumbled because he had all the easy jobs.

Method No. 2 is the developing of machines to do the work that was previously done by the man. Automatic stops, lift trucks, packaging machines and etc. are in this class. Here changes in rates would be required.

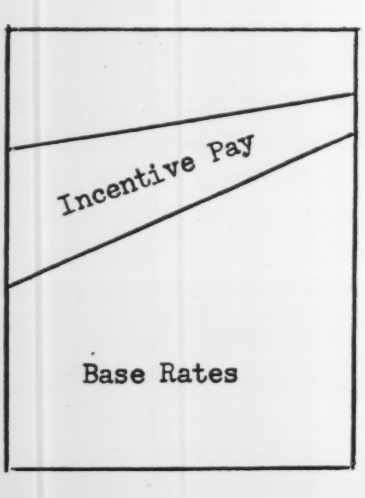
5. Incentives standards can be established in relatively short periods of time or long periods of time. The gains for both labor and management would be relative to the amount of time used. Incentives can be based on individuals, groups, or plant wide. They also can be used on variable non-standard jobs as well as highly standardized jobs.
6. They can be easily understood by labor. The man or men worked so much. They receive so much pay. Many incentive plans on indirect employ ratios of man hours to machine hours, one month averages and factors that may be acceptable to management but is difficult for labor to understand.
7. Cost figures can be improved. By knowing the work load of an individual order on a group of machines the standard cost can be provided by the amount of work rather than dividing the cost by the number of machines. For Example:

   We have a 15 machine group operated by one man with various types of orders run on each machine. On some orders he can run 3 out of 15 machines on other jobs he can run 30 machines. Orders are prorated so that 15 machines are run. By running one or two machines of the 3 machine job and the balance on the 30 machine job the 15 machines are kept running. Labor cost on the 3 machine order is spread over the production of 3 machines rather than taking 1/15 for all machines.

   In cost of indirect labor there is the possibilities of getting the cost of overhead nearer to the product rather than averaging it in by mill or department.
8. *Plant layout*: Here work loads and standard data can be a basic tool so that manpower requirements for material handling and production machines can be ascertained so that machines can be grouped and laid out in a more efficient manner.
9. *Machine Design and purchase of new machinery*. If a machine designer is going to design a machine that is going to do the work that a man does, then he should know what the man does and how long it takes to do it. An improved machine of faster speed does not necessarily mean a lower cost. If an operator of a group of 10 machines was given 10 new machines of higher speed and he originally had a full work load on the first 10, then a problem would exist.
10. *Scheduling*: On multiple machine groups, with all machines running, it has been found that scheduling by work loads as well as by machines can create lower costs and faster schedules. By changing the product mix on a group of machines that are running at capacity will result in lower costs and faster schedules.
11. *Indirect Labor*—Work load standards on indirect labor becomes much easier to establish, to operate, and to understand.

    By looking at machines in a department on the basis of how much pure work is involved to service a machine, to transport material to and from the machines, to know that one machine requires more service than the next all leads to a good standard. The economic theory that improvements can lead to higher wages, lower cost for the company, and reduced prices for the product, all are reflected in work loads.

    Work loads is a new way of thinking. Complications of variable speeds, standard crews, interference, allowances, fudge factors and etc. can all be improved on. By looking at production as a measurement of the individuals work and realizing that work varies even though production is consistent opens a persons eye to the possibilities of improvements. Work load is the switching of the observers thought to a little less on what the machine is doing and a great deal more on the individual. Work load is more in line with what has been called human engineering and statements such as "For every man in industry $15,000 is invested in equipment", might be thought of as "For every $15,000 invested in equipment $150,000 is invested in people". (35 yrs. at $4,000 per yr.) ■



N. Y. Chapter Presents Award

At the June dinner meeting of the New York Chapter, the Past Presidents' Award was presented to the group of that chapter's former presidents picture above. (Left to right) John McCaffrey (1947-49), Walter Porzer (1936-37), R. W. Davis (1954-56), J. W. Roberts (1956-57), Carl Heyel (1949-51), and Harold Engstrom (1953-54).

A New Approach To Training In Leadership Skills

by Homer E. Lunken

Vice President, The Lunkenheimer Company, Cincinnati, and S.A.M Chairman of the Board

First S.A.M. Workshop A Success

A NEW, different, and important pilot project was conducted in Cincinnati last spring. It was known as "The S.A.M. Workshop in Leadership Skills". The staff which conducted the Workshop were members of The National Training Laboratories of Washington, D.C. As a result of this successful experience, S.A.M. is now planning three regional workshops patterned after the pilot event—one in the southeast, one in the north central area, and one in the far west.

For five days, from Saturday, April 12, through Wednesday, April 16, a group of forty middle and top level managers met at the Engineering Society Building in Cincinnati to participate in this pilot workshop. The purpose was training in the basic skills of management: that is, how to get work done effectively through other people.

A New Approach

What is so different and important about these workshops? First of all, the workshop leaders are trained social scientists rather than business managers. Further, the methods of imparting knowledge and giving skill practice are completely new and different from those ordinarily used at management conferences. These new procedures draw deeply on new knowledges in the social sciences about management and more effective methods of training. They involve dealing with actual problems of human communication, skill in human relations, and abilities to work more effectively in staff groups. Rather than merely talking about human relations, participants learn from carefully constructed laboratory situations which enable them to analyze their own experiences and thus gain new understanding of their own behavior and its consequent effect on others. This gives them opportunity to actually improve. This is in contrast to talking about some "then and then" situations in the past and which deal with someone else's experience. This unique training program deals with "here and now" situations of each person's actual experiences.

How Did It Work?

The reader will be interested to know the experiences of the Cincinnati participants which resulted in such favorable reactions on their part. Dr. Bradford, Director of The National Training Laboratories, explained in the opening general session that the purpose of the Workshop was to give the participants an opportunity to gain further understanding, insights and skills in that important part of the management job which has to do with working effectively with people. He said that in order to develop or improve leadership capabilities, the manager must develop understanding, insights and skills in three areas: self, group, and organization. By *self* is meant a better understanding of the individual by himself and the effect which he has upon others. By *group* is meant the development of an understanding of how and why groups function as they do. By *organization* is meant understanding of the interaction of groups within an organization. In order to accomplish this, the individual participant is taught how to develop *diagnostic abilities* which permit him to better understand *himself*, the interaction of *people in groups*, and the interaction of *groups within organizations*.

The training invention which makes this possible is known as the Diagnostic Group. Participants in the S.A.M. Workshop were divided into three small groups. These groups met two or three times each day, including evenings, for one hour and a half sessions. In these sessions, learning by actual experience took place. Members of the staff were present but they did not perform the usual role of leader. Without any specific instruction the individual members had to perform these functions themselves. What happened resulted in a real learning experience for each individual. Without the customary leadership setting forth the agenda, the objectives, the procedures to follow, etc., the groups experienced great frustration and discouragement. The discussions seemed to be without direction and purpose. Individuals and ideas clashed—in some cases politely and in other cases without restraint or tolerance. Individuals tried to assume group leadership either openly or by inference and these attempts were almost invariably rejected. Finally, after the beginning of the second day the groups began to report that things were going better. Without appointed or elected leadership, the members of the groups were beginning to work together more effectively, and, in the process were

Problem Solving Through Group Discussions

Typical Diagnostic Group In Session

learning *by actual experience* what makes groups function successfully.

These Diagnostic Group sessions, painful at first, were later unanimously voted the most important part of the entire Workshop. Speaking of the Diagnostic Groups, a typical comment of participants was: "I developed a better understanding of myself and the effect which I have on others." The Workshop also included theory and lecture sessions which covered such subjects as "Testing Assumptions about People", "Organizational Change", "Ways of Looking at Organizational Effectiveness", and "Performance-Appraisal Theory and Practice". These data reflected the research findings of members of N.T.L. in industrial situations. They were intensely interesting and were presented in a practical manner, which tended to support the learning in the Diagnostic Groups.

What Is The National Training Laboratories?

In order that the reader may better appreciate the scientific experience and knowledge lying behind this pioneer event, it is important to understand that the Workshop staff of four—one to every ten participants—were members of The National Training Laboratories of Washington, D. C. This is an organization of social scientists, largely sociologists and psychologists, from most of the major universities which engage in social science research. The N.T.L. was organized to encourage cooperation between the universities in original research, applying of research findings, and training of others. For twelve years the N.T.L. has been engaged in these activities with increasing success and recognition by business and industry. Most of the contact between N.T.L. and the representatives of business organizations has been through the two three-weeks laboratory sessions held at Bethel, Maine, each summer; a special two weeks session at Bethel for top level management and a two weeks session at Arden House, New York, for all levels of management people. The five-day S.A.M. Workshop represented the first time N.T.L. had cooperated with a major management training organization such as The Society for Advancement of Management.

The representatives of the N.T.L. staff who made up the Workshop "faculty" were: Dr. Leland P. Bradford—Director, The National Training Laboratories, Washington, D.C.; Dr. Robert R. Blake—Professor of Psychology, The University of Texas, Austin, Texas; Dr. Stanley Seashore—Institute for Social Research, University of Michigan, Ann Arbor, Michigan; Dr. Richard W. Wallen—Director, Managerial Training Division, Personnel Research & Development Corp., Cleveland, Ohio.

Dr. Lillian Gilbreth Honored by S.A.M. On Her 80th Birthday

The Society for Advancement of Management hosted a reunion luncheon of S.A.M Gilbreth Medal Award Recipients on May 26th in the Emerald Suite of the Biltmore Hotel, in New York City, in honor of Dr. Lillian Gilbreth's 80th birthday. Recipients on hand for the occasion were **(Top Row—Left to Right)** Gustave J. Stegemerten, John L. Schwab, Harold G. Dunlap, Ralph Presgrave, Herbert F. Goodwin and William R. Mullee; **(Bottom Row—Left to Right)** Don F. Copell, Phil Carroll, Lillian M. Gilbreth, Allan H. Mogensen, Harold B. Maynard and Harold Engstrom.

How People Felt At The End

When the Workshop ended on the fifth day, the participants gave the staff and the new training methods a real vote of approval. On a form which was distributed at the time of adjournment, and which was not signed and therefore did not identify the persons replying, 32 participants indicated that the Workshop experience had been "very valuable" to them, while 8 said that it had been "valuable". No one checked the remaining two possible responses, "not very valuable" and "not at all".

What Happens Next?

Plans are now being made to firm up arrangements for the three workshops to be held next fall, winter, and spring. The Southeastern and Southern Regions have already accepted the responsibility for the first workshop which will be held in Asheville, N.C., November 10 through November 14. The second workshop will be held on the West during January 1959, and the third will be held in the North Central area during March 1959.

This new type of managerial training, made possible through collaboration with The N.T.L., represents an important forward step. Members and other readers of *Advanced Management* who are interested are requested to make note of these dates and places. Announcements will be sent to regional membership lists at a later time. ■

PROGRESS IN MANAGEMENT FOR PROFIT AND GROWTH
is the title of the S.A.M Annual Fall
MANAGEMENT CONFERENCE
to be held in New York City on October 30-31
Complete program will appear in August ADVANCED MANAGEMENT

Re-examination Of Performance Appraisal

by Professor Robert R. Blake
Professor of Psychology
The University of Texas
Austin, Texas

SKILLFUL MANAGERS manage business affairs by evaluating future situations, appraising present performance with respect to them, and then placing plans in action to be ready to meet new situations. Such a procedure says you've got to know what's ahead, where you are now, and how you have to change to move from where you are to where you want to go. Setting objectives or goals, planning how to attain them, and then implementing the plan is a good business-like way of making progress. What's more, it's sound psychologically (2, 3).

When it comes to managing people, though, even the skillful manager loses his perspective and turns into a demon. He gets out his rating forms and, with vicious delight combined with pain and anxiety, goes to work. He answers, to his own satisfaction, the 32 items on the form about his subordinate, including such evaluations as dependability, initiative, neatness, ability to learn, promptness, character, adaptability, resourcefulness, enthusiasm, loyalty, judgement, integrity, decisiveness, tact, and 18 others. Then he summarizes—or worse yet, he adds up the total score. "Not good enough," he says, as he reflects on Bill Smith, a subordinate. "He's below average. I'd better get with him and let him know he isn't measuring up. Since I may have to replace him or arrange for his transfer I'll give him a warning." The conference with Smith takes place. The subordinate is shocked and chagrined. He promises to do better. For a few weeks he does. Then he slides back toward his standard way.

When a manager manages business affairs he acts like a human being. When it comes to managing human affairs he's a dragon. Why? For a simple reason: As a manager of business matters he is concrete, practical, down-to-earth, realistic. As a manager of people he repeals his good sense and starts acting like a "god", a clinical psychologist, or a psychiatrist, probing the unconscious, testing for deep-lying attitudes and early experiences and in other ways doing a job for which neither training nor temperament have prepared him. When he does so he is seeking to manage according to a way which is inconsistent with the manner in which he works, and inconsistent with his training and experience.

A *manager* of people is concerned with *work performance, not* with *personality;* he deals with competence, not with complexes. He thinks with respect to the future and how to meet it, not just about the *past* and how to understand it. He helps a subordinate set goals to strive for rather than restricting himself to being critical of the past or even of the "here and now". He seeks to *develop* men, not simply to evaluate them, just as he seeks to *develop* his company not simply to evaluate it. When he appraises performance he should behave like a manager, not like a "head shrinker" (1, 3).

Let's examine this matter further. Take the issue of personality *versus* performance. How do you know a man's "personality?" You know it by the way he works. Why not appraise what you know best—the way he works—and leave what you have to infer, his personality, alone? It's no good to say, "Joe, you don't have initiative, and you'd better get some." for the simple reason that Joe doesn't know what you're talking about and doesn't know how to get with it even if he wants to. It's better to be concrete, and to evaluate specific work situations when the job required more than Joe gave it, then try to find out what blocked him and finally to place plans in action which will prevent that kind of situation happening again. When you do that, you're acting like a manager of *men.* You don't use terms like initiative, character, or adaptability because they're abstractions that are too difficult for even the best of us to understand. You may find yourself using terms like material cost control, job safety, care of equipment, planning and scheduling, amount of re-do work, or sales results, if they're relevant, because they point to concrete, specific aspects of work.

As a manager of business affairs you look at the past, but primarily in terms of the future. That makes sense, because the future lies ahead, and you *can* do something about it. The past is behind. It is gone, dead, and its only value is to suggest what needs to be done to meet the future more successfully. In the words of this conference, appraisal should have a forward look.

Why not *act* like a manager in appraising people? You sit with a sub-ordinate. You assess the past and present, but you don't stop there. You go ahead and plan for the future and, jointly with, you *both* design plans to bring improvement into new performance. You set goals, clear-cut goals, and you put a time schedule to them, so you both can measure whether changes proposed and

ROBERT R. BLAKE has been teaching at The University of Texas since 1945. He was Research Associate at Harvard University (1950-51), a Visiting Lecturer at The University of Reading, England, and Honorary Psychologist at the Tavistock Laboratory in London (1949-50). Since 1954 he has been Director of the Human Relations Training Laboratory. He also does consultation work for the Continental Oil, Esso Standard, Ansul Chemical, Lago Oil & Transport companies, and the Airmy Air Force. Professor Blake is on the Board of Trustees of the Institute of General Semantics and the Policy Board of the Human Relations Training Laboratory. He is on the Program Committee of the National Training Laboratories and is a Council Member of the American Society of Group Psychotherapy and Psychodrama. He serves also on the Editorial Board of the *Psychological Review,* the *International Journal of Social Psychiatry,* the *International Journal of Sociometry,* and *Group Psychotherapy.* (Professor Blake is one of the MTL faculty for the S.A.M Workshop in Leadership Skills, in Cincinnati, as described by H. E. Lunken, in the article on page 17 of this issue.)

planned actually are achieved. That makes good sense because it is constructive. It goes farther than just telling a man "where he stands." It tells him how to alter his situation, if need be, to stand better. Also, it increases accountability.

The subordinate knows something too! As a manager, what do you do when you're planning and you don't have all the facts at hand? Simple. You go to the person who has the most information about why a situation is as it is.

What do you do in appraisal? If you're like 99 per cent of managers, you act like Mr. "Know it all." You tell the subordinate when he stands, all right, based solely on your appraisal of him or on a group appraisal. Chances are if you'd go to him you'd see things a good deal different because he's got an "inside" view of things. It's obvious. Why not invite the subordinate to *appraise himself?* Then, pool what *he* thinks and what *you* think, and plan on ways of changing the situation. That's what you'd do as a manager of business affairs. Isn't it sensible to do it as a manager of people?

Even if it weren't good business there's another reason for managing people this way. Because the chances are good that Joe will tell you about himself, many of the very things you were going to tell him about himself. Then you're relieved of the task. If he tells you things you didn't know, you're still ahead of the game because your chances of helping him are improved. He can do it in a way that doesn't make for defensiveness or accusations or resistances. But watch out. You may hear him saying things that reflect on how *you* work with him. You may find out that if you'd do differently he would too. Appraisal is a two-way-street when it's done right!

Then why do it with your subordinate? He's human too. Common respect tells you *not* to use a form, but to work in terms of categories that apply specifically to your subordinate and to his situation; ones that are concrete, definite and relevant to *his* situation. What categories might be relevant? Perhaps they include such items as administrative efficiency, planning, interdepartmental relations, development of subordinates, or self-improvement. But whatever, they apply to a specific situation. Forms are for standard situations. With people there are no standard situations. Every one is unique and deserves to be treated as such. Furthermore, thirty years experience with such forms indicate they have very restricted validity, if any at all. ■

CIPM Reports . . .

S.A.M CHAPTER MEETING ON CIPM —"International Managerial Development" was the topic of an S.A.M New York City chapter meeting on April 17, focusing on the CIPM Action Program, which stresses the importance of creating competent managers for public and private institutions in countries of the free world.

Introducing the evening's discussions, Dwayne Orton, President of the Council and Editor of THINK magazine, I.B.M., outlined the Council's history and present program. A. M. Lederer, Chairman of the CIPM Board, President of A. M. Lederer & Co., Inc., and CIPM representative to the international management body, CIOS (the Comité International de l'Organisation Scientifique), pointed to the beginnings of the international management movement that resulted in the establishment of CIOS: "Immediately following the First World War, the American Engineering Council prepared an extensive report entitled 'Waste in Industry.' That report and the remarkable performance of American industry during that war so impressed the late Thomas Masaryk, the first president of Czechoslovakia, that he suggested to Herbert Hoover that a way should be found to bring to Europe the accomplishments, the techniques and principles underlying the American industrial progress.

"Thus the seeds of an international management movement were sown, and there was conceived the plan for the First International Management Congress . . . held in Prague in 1924 . . . Some of the earlier architects of that movement were, besides Hoover and Masaryk, the late Dr. Hopf, William Batt, the Gilbreths, Clarence Davies, Wallace Clark, and others."

ROLES OF BUSINESS, UNIVERSITIES, ASSOCIATIONS, GOVERNMENTS & INDIVIDUALS—How can business further the development of managers in other countries? Paul Mills, Manager of Organization Consultants of the General Electric Company, stated that "the opportunity of business managers under (today's) challenging circumstances is *to seek the areas in which men agree*, to find some 'common language,' . . . Managing the work of individual human beings so that through *voluntary* teamwork they may make creative progress is common to all kinds of work in all nations."

Professor Erwin H. Schell, of the Massachusetts Institute of Technology and Special Vice President for Programs of CIPM, summarized a survey of executive training activities of universities and colleges in the free world, saying that "probably no potential managerial resource has been so widely and so rapidly capitalized upon by industry throughout the free world as has that of formal training of operating executives."

Bruce Payne, Vice President of the Council and President of Bruce Payne Associates, Inc., discussed the role of professional societies and international managerial development. The current increase in the number of American companies with overseas investments points up the growing importance of professional societies outside this country. Mr. Payne emphasized that participation by American managers and their firms overseas in the activities of local associations could do much to strengthen them.

Professor Frederick Harbison, Director of the Industrial Relations Section at Princeton University, who has conducted projects of international economic and manpower development during recent years, posed this problem, which he termed one of the great challenges of the free world: *"Can some means be found to enable the underdeveloped countries to industrialize without sacrificing human values and political democracy on the altar of economic progress?"*

Based on three assumptions that 1) "underdeveloped countries are determined to industrialize whether we encourage them to do so or not," and 2) "Russia and her satellite countries will also have an interest in the industrializing countries and presumably a strategy for pursuing that interest," and 3) "the governments of the underdeveloped countries are going to play a leading, if not a dominant, role in programs of industrialization," Professor Harbison concluded that "the best we can expect is that the industrializing countries will follow a middle course somewhere between ours and that of the totalitarian regimes."

To encourage these nations now in the early stages of industrialization to develop institutions based on democratic rather than totalitarian ideas, it is imperative that we understand, and that we communicate this understanding as widely as possible, that "the building of human resources is as important as military equipment . . . in helping other countries to make the kind of progress which is consistent with the goals of free nations." Professor Harbison said in conclusion, "It should not be considered unduly visionary to look ahead for a few decades. We continually look ahead at least a decade in planning our military weapons . . . Why then should we not plan human resources development for decades ahead, looking, for example, to the kind of social order there may be in India after Nehru is dead, and to the time when our children of today will themselves have become of military age." (*Copies of a more detailed summary of these talks may be obtained from CIPM, 350 Madison Avenue, New York 17, New York.*)

Jane Dustan
CIPM Editor

New Management Writing . . .

S.A.M BOOK SERVICE

All books reviewed or listed in this department may be read or bought under the AMLS Plan, at less than publishers' list price. See below for details.

General Management Theory and Practice

A-26 Manufacturing Management — Franklin G. Moore. 828 pp. Irwin. 1958. $8.35.

A revised edition of a well received basic text first published in 1953. The revision takes account of several new managerial developments including increased attention to long range planning; general and operations research; capital budgeting and cost control. The book includes case materials for study on each aspect of management.

A-27 The Economics of Industrial Management Walter Rautenstrauch and Raymond Villers. 510 pp. Funk and Wagnalls. 1957. $7.50.

Another up-to-date edition of a basic work on an important dimension of management. Gives particular attention to uses of electronic computers in accounting and production control and as a tool for providing data for reaching decisions among economic alternatives.

A-28 Office Management and Control—George R. Terry. 747 pp. Irwin. 1958. $8.35.

The third edition of a rounded introduction to the principles and practice of office management. Designed for both students and practicing managers. The book starts with a discussion of the importance of office work and office management and of the applicability of scientific management principles to this field. It covers in considerable detail such essential but often neglected functions as office reports, office correspondence, filing, duplicating and mail handling, as well as methods of planning space layouts, selecting equipment and providing desirable working conditions. Later chapters cover methods of office organization, elements of personnel relations as they apply particularly to office employees, and methods of controlling and budgeting office work.

Management Tools and Techniques

B-56 Executives For Government—Paul T. David and Ross Pollock. 170 pp. Brookings. 1957. $1.50.

A brief but highly valuable review of a major factor in personnel administration in the federal government. Gives particular attention to problem of providing top political and civil service executives and to various proposals for a special senior career service system. Approaches the problems of top personnel in the executive branch and the relationships between political interest and career civil service principles in a realistic way.

B-57 The Economics of Labor Relations—Gordon F. Bloom and Herbert R. Northrup. 796 pp. Irwin. 1958. $8.40.

The third edition of another well known text. Covers such basic subjects as the nature of labor problems; union history and government; principles of collective bargaining; the economics of the labor market; governmental wage regulation and control of labor relations; and the economics of social security. Up-to-date consideration of the effects of relatively recent legislation such as the Taft-Hartley Act and proposals for changes in it add to the timeliness of the material.

B-58 Handbook of Personnel Management and Labor Relations—Dale Yoder and others. McGraw-Hill. $12.50.

A well organized and authoritatively written handbook for practitioners in the field of labor relations and all aspects of personnel work. Well indexed for ready reference purposes.

B-59 The Supervision of Personnel—John M. Pfiffner. 512 pp. Prentice-Hall. 1958. $6.50.

Subtitled, "Human relations in the management of men", this is the second edition of another well known handbook of industrial relations and personnel work. The new version includes up-to-date material especially on selection and training methods and new developments in knowledge of motivation of people in a work situation.

B-60 Accounting and the Analysis of Financial Data —Edison E. Easton and Byron L. Newton. 456 pp. McGraw-Hill. 1958. $7.00.

A thorough but non-technical introduction to accounting terminology and principles designed for business and professional men who are not accountants but need to be able to interpret and utilize accounting data.

B-61 Accounts Receivable and Inventory Financing—Walter S. Seidman. 149 pp. U. of Michigan, School of Business Administration. 1957. $4.75.

An up-to-date review of techniques and law on factoring and other short-term commercial financing.

B-62 Accounting Reports For Management—Ronello B. Lewis. 187 pp. Prentice-Hall. 1958. $15.00.

A guide to better and easier reporting of accounting information to management. The author feels from his long experience that most accounting reports today are either too technical and incomprehensible or sacrifice accuracy in the interest of dramatic presentation. This book recommends specific methods and forms for achieving a middle ground which will be both accurate and readily comprehensible.

B-63 Marketing In Transition—Alfred L. Seelye, editor. 335 pp. Harper. 1958. $6.00.

A carefully selected group of readings in marketing designed for the college student of marketing and the marketing practitioner. The essays selected are from many sources but center around the major changes that have come about in marketing approaches and methods in the past ten years.

Personal Development

C-15 You and Your Job—Walter Lowen. 281 pp. Graystone-Hawthorn. 1958. $4.50.

A book of down-to-earth advice on ways and means of evaluating one's own relationship to his particular job. Tells how to take a reading on how well your job fits you, and specific ways of making yourself more valuable in your job. Then, for people who decide that their present job just doesn't suit them, there is a detailed guide on how to find a better one. Written by a leading placement counselor on the basis of his years of experience.

(*Continued on page* 31)

THE ADVANCED MANAGEMENT LIBRARY SERVICE

READERS of **ADVANCED MANAGEMENT** can secure any of the books listed above, or any other current U. S. book in management or related fields from The **Advanced Management** Library Service, 3209 Columbia Pike, Arlington 4, Virginia.

Just fill out and mail this request coupon, and the books you want will be sent to you quickly by mail on a loan or purchase basis.

AMLS GROUND RULES

The services of AMLS include: (a) Unlimited loans by mail of any current books in management or related fields (Fees for this service are $1.25 per book, for two-way postage and handling charges and up to six weeks of reading time plus two weeks standard mailing time. 25c a week is charged after the first eight weeks); (b) An option to the borrower to keep any loan book he wished at a price which is progressively less than the publishers' list price as the particular book has had previous use; and (c) Supplying new copies or used copies when available of any book in print for purchase at a standard discount which is 10% for most new books.

AMLS services are available exclusively to readers of ADVANCED MANAGEMENT. The loan service is available only to readers in the continental U. S. The discount purchase service is also available to overseas readers.

Request Form

The ADVANCED MANAGEMENT Library Service

To: AMLS
3209 Columbia Pike
Arlington 4, Virginia

Please send me the following book(s):
(Insert reference numbers (e.g. A6) in appropriate column at right for books listed above.)

Write name of author and title of any book you might want that is not listed above, and check appropriate column at right.

Author	Title

List Reference Numbers below

Under AMLS loan plan	New books to buy	Used books to buy*

*if available

Send book(s) to:

NAME.....

ADDRESS.....

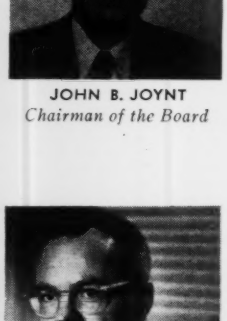
.....

JOHN B. JOYNT
Chairman of the Board

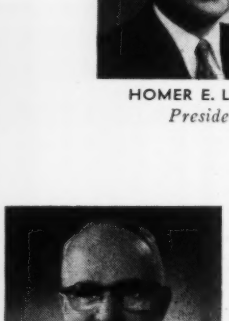
HOMER E. LUNKEN
President

PHIL CARROLL
1st Vice President

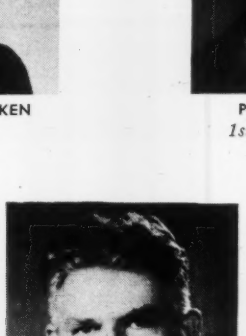
MAURICE R. BACHLOTTE
2nd Vice President



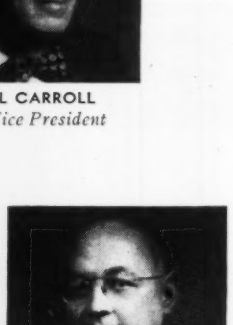
HUGO W. DRUEHL
Secretary



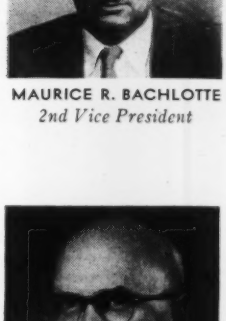
FRED E. HARRELL
Treasurer



RALPH M. BARNES
Vice President
Industrial Engineering

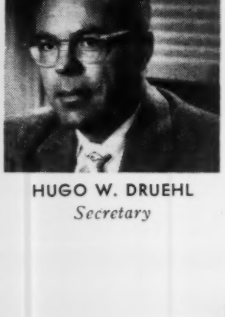


SAMUEL L. H. BURK
Vice President
Industrial Relations

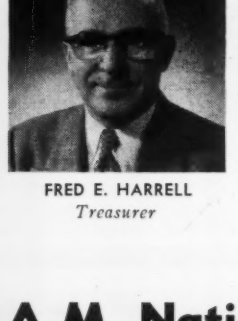


RALPH C. DAVIS
Vice President
Management Research & Development

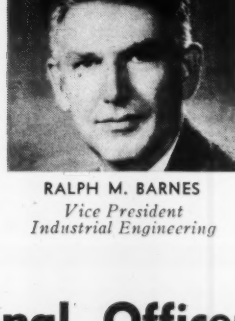
S.A.M National Officers — 1957-58



AL N. SEARES
Vice President
Distribution

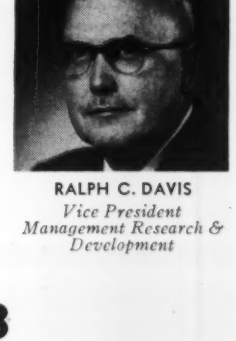


WARREN J. KING
Vice President
Material Handling

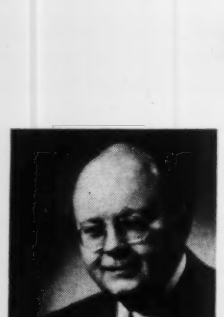


EUGENE R. RUARK
Vice President
Membership

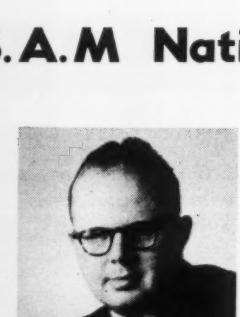
DAVID N. WISE
Vice President
Senior Chapter Operations



LESTER F. ZERFOSS
Vice President
Chapter Conferences & Seminar Development



HEZZ STRINGFIELD JR.
Vice President
Southeastern Region

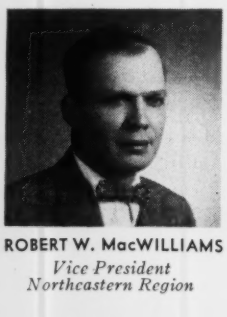


L. T. WHITE
Vice President
Small Business

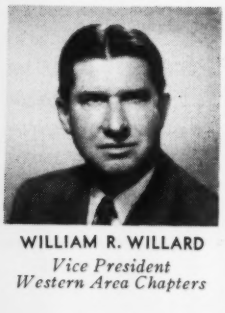
EDWARD C. EBELING
Vice President
Central Region

OLIVER J. SIZELOVE
Vice President
Middle Atlantic Region

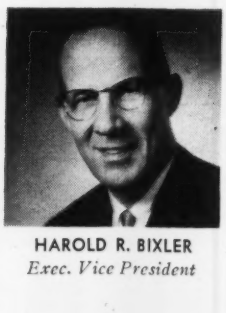
GEORGE W. TALLEY
Vice President
North Central Region



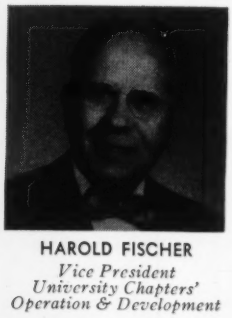
ROBERT W. MacWILLIAMS
Vice President
Northeastern Region



WILLIAM R. WILLARD
Vice President
Western Area Chapters



HAROLD R. BIXLER
Exec. Vice President



HAROLD FISCHER
Vice President
University Chapters' Operation & Development

GEORGE M. GOETTELMAN
Vice President
Civic Affairs

1957-58 ANNUAL REPORTS of the Society for Advancement of Management

PRESIDENT'S REPORT

As THE 1957-58 fiscal year draws to a close there are many subjects which deserve the attention of our membership. Space permits only the covering of a limited number of these in this President's Report. The following high spots are thought to be of general interest:

Basic Objectives—the need for a clear, concise statement setting forth the basic objectives of the Society has been recognized and the Long Range Planning Committee has prepared several drafts which are being submitted to the Chapters prior to the October Board meeting. It is hoped that an acceptable statement can be approved at that time. Such a statement would supplement the broad objectives set forth in the constitution and serve as a guide to Chapter and National level officers in the planning and administration of Society activities.

Research and Programming — plans are under way which will relate the activities of our Research and Development Division more closely to the basic purposes and objectives of our Society as they pertain to programming. There are two kinds of research which the R&D Division performs: (1) original research, and, (2) survey research. By survey research is meant the searching out and study of new developments in the field of management, in order that these data, when of value, may be summarized and made available to our Chapters to serve as a basis for the development of Chapter programs. We recognize that one of the purposes of S.A.M is to exchange information and develop an understanding of the application of the newest managerial practices and concepts. It follows, therefore, that the function of identifying these developments, and those who are responsible for them, is of prime importance. In order to accomplish this, the R&D Division will, in the future, engage to a greater extent in this kind of survey research. It is hoped that these activities will be helpful to our entire organization in facilitating the development of interesting program events to meet the needs of our membership.

Activities and Policies Study Committee—this Committee was established a year ago to study the overall program and activities of the Society, in order that a thorough appraisal could be made which would lead to improvements in services. A comprehensive questionnaire was developed for this purpose which was sent to Chapter Presidents and National Directors for reply. Through this process, each Chapter was encouraged to appraise the total S.A.M program in considerable detail. The resultant report, sent to Presidents and National Directors, prior to the April Board meeting, has provided most useful information, much of which is already guiding our planning and decision making.

Relationship with National Training Laboratories—the practical research activities of the social scientists in the field of management development and leadership are receiving increasing recognition. The leading organization in this field is the National Training Laboratories of Washington, D.C. N.T.L consists of a staff of sociologists and psychologists from many of the major universities which are engaged in this kind of research. In April of this year a pilot project, the S.A.M Workshop in Leadership Skills, was organized under S.A.M guidance and conducted by N.T.L staff members. The results were so gratifying that three such events are now being planned to be held in different parts of the country next year. Further, our Research Director is developing plans for a closer working relationship with N.T.L.

Regional Development — the Senior Chapter Operations Committee has studied the subject of regionalization in order to suggest logical patterns for the continuing trend in this direction. The advantages of regionalization, in terms of improved communications and more effective participation by Chapters in National level policy making and planning activities, appear to outweigh some of the early objections. There is a continuing trend toward regionalization.

University Chapter Division—the phenomenal growth of our University Chapter Division, now numbering over 7,000 student members, reflects the need for this type of training experience. The increasing number of students who will be applying for junior membership upon graduation will require special attention by Chapter Membership and Program Chairmen.

Services to Chapters—a steady increase in the aids and services available to Chapters is taking place. The new S.A.M Directory of Management Seminars, the List of Chapter Meetings (including seminars, conferences, etc.), the Conference Manual, and the Administrative Guide to Seminar Operations, are examples.

National Awards — a distinguished committee organized to administer S.A.M Awards includes Harold F. Smiddy, Vice President of General Electric Company, Chairman; Lawrence A. Appley, President of American Management Association; Courtney C. Brown, Dean Graduate School of Business Administration, Columbia University; Luther H. Gulick, President, Institute of Public Administration; and, Erwin H. Schell, Head Department of Business and Engineering, Massachusetts Institute of Technology.

Homer E. Lunken
National President—1957-58

REPORT OF 1st VICE PRESIDENT

OUR committee formed to study national conferences has made some progress this past year.

We have roughly defined what part of our Society's total program should be carried on by our National Office. In so doing, we developed the general make-up of those parts to be carried on by Regions and Chapters.

In addition, we studied the types of members and prospective members we were trying to advance in management. With these set down, we tried to determine what portions of our whole Society's program efforts should be directed toward each type. Then, we worked out the several ways that seemed to us to be best adapted for presenting these parts of our program.

The results of this year's study are reflected in chart form further along in this report.

The numbers in the chart are "mentions." You might interpret these as indices of quantity. The number one might suggest few people or rare at-

tendance. Six might mean all people or frequent attendance. Remember, however, these numbers are mentions only.

We do believe that we have a pattern to study and improve upon. We have roughed out three parts of the pattern that should serve as very useful guideposts in our program planning. These are

1. Terms that indicate the six general types of skills included in our word management.
2. Per cents that suggest what portions of our whole program should be directed towards the six types.
3. Mentions that reflect the mediums best suited to advance the six types in management as well as give some ideas of quantity.

Among the mediums are two new ones that should be explained. One is the team or panel, of say five men, that brings together all major phases of business. This has many applications in assisting the managers of Small Business. We feel more attention should be given to Small Business because 81 per cent of our establishments have 100 people or less and 91 per cent have 500 or less.

Another new medium is the tutor. Chapter men could guide those managers and aspirants who wanted to do more home study.

Two more working definitions. We defined a Round Table as a 10-14 series of discussions about one general subject. In contrast, we said a Discussion Group was a 1-5 series of discussions set up to meet a current interest.

Throughout our study, we have recognized the two parts of management we may call "tools" and principles or philosophies. You may think of meausures and actions. Staff and line are other groupings. Regardless of terms, both the tools and the actions pointed out by the tools are included in our analysis of management.

Your suggestions and comments are solicited. Your committee wants to improve upon this analysis. Please pass on your ideas to any of the following:

Dause L. Bibby, 1st Vice President-elect, Chairman

Paul MacCutcheon	1960
A.D. Joseph Emerzian	1960
Clark M. Hubbard	1961
Edward D. Kemble	1961
Carl Beck	1962
Floyd L. Wohlwend	1962
Walter G. Seinsheimer	1963
Al N. Seares	1963

We are greatly indebted to this committee, plus Vincent Flynn, Research Director, and Patrick J. Reddington, Conference Director, for their efforts in developing such a useful guide for our future programs.

Phil Carroll
1st Vice President

Analysis of Chapter, Region and National Programs	Top Manager	General Manager	Middle Manager	Supervisor	Specialist	Student
PORTION OF TOTAL	5	10	25	25	25	10
FORM OF PROGRAM	MENTIONS					
Small Business Team	6	5	3	0	0	0
Small Bus. National Conference	5	4	3	0	0	0
National Workshop	3	5	5	6	3	0
SAM—NTL Workshop	3	5	6	1	2	0
Region Conference	1	5	6	2	3	0
National Conference	5	5	5	4	3	2
Discussion Group	2	3	3	2	3	1
Round Table	1	2	5	6	5	2
Monthly Meeting	3	3	5	5	5	5
Chapter Conference	1	1	5	6	6	4
Chapter Workshop	0	2	5	6	5	2
Training Courses	0	0	2	6	6	3
Chapter Tutors	0	0	2	2	2	5

PACKAGED SEMINARS

A majority of S.A.M Chapters report special events such as round-tables, training courses, seminars, clinics, conferences, etc., in addition to their regular monthly meetings. This provides a better service to the local community in "Advancing Management" and in addition supplies funds for the chapter budget.

In our national budget only about 65% of income is derived from membership dues. Similarly local chapters find it necessary to supplement their membership income by special events to provide an adequate service.

For several years the National Office has assisted Chapters through the office of Vice President, Seminar operations.

Starting last year and continuing through the 1957-58 year, studies have been directed at ways and means of expanding National Office service in this field. More specifically to the development of "Packaged Seminars" which are described as Seminars developed by a third party, or by the National Office to be made available to the chapters.

Certain "Package Seminars" have been developed by Educators and Consultants and are currently available. A S.A.M Directory of these Management Seminars has been distributed to all Chapters.

A new development this year was the establishment of working relationships between S.A.M and N.T.L (National Training Laboratories). N.T.L has established a network of leading specialists in the field of applied social science, widely experienced in the use of N.T.L's laboratory method for leadership development. N.T.L welcomed cooperation with S.A.M because it provides an opportunity to expand their work in business and industry.

The N.T.L puts on two major events annually which are of direct interest to Business Management — a two weeks work shop at Arden House, New York, and two 3-weeks laboratory sessions at Bethel, Maine.

This year a pilot workshop was conducted for S.A.M by N.T.L at Cincinnati on April 12-16. This workshop was attended by thirty-seven experienced managers from the upper and middle levels of management.

All of the comment that we have received has been most favorable. We are now being asked when the next workshop will be held.

Plans are under way to hold at least three workshops next year. Because of the limitations of N.T.L's staff and schedule, this cannot immediately develop into a true package program as originally envisioned. However, this is an opportunity to move out in front in an area of

management service which is, as yet, relatively undeveloped.

Maurice R. Bachlotte
2nd Vice President

TREASURER

THE SOCIETY completed the fiscal year at near the breakeven point. Our total income was below budget, but again this year the National Office effected sufficient savings through personal sacrifice and avoidance of expense to keep the Society in the black.

The increase in dues, plus the increase in student enrollments, produced about a 12% addition in income from dues for the fiscal year 1958 over 1957.

Income from publication advertising and from conferences was less this year than last reflecting the economic cycle. These areas are receiving critical study.

The budget for the year 1958-59, which was approved at the April 26th meeting of the Board, represents a realistic approach to the S.A.M program for the year ahead, with every expectation of being able to serve the Chapters in accordance with the program as outlined by the Board.

Fred E. Harrell
Treasurer

RESEARCH AND DEVELOPMENT

THE RESEARCH and Development Division continued its threefold program to (a) identify and define significant problems in modern management; (b) organize competent study to solve or alleviate them, with as broad participation as possible by interested members of the Society, and (c) report the findings and recommendations of these studies as rapidly as they are completed.

The following studies will be published in the summer and fall of 1958: *A Glossary of Terms Used in Personnel Management and Industrial Relations; A Management Code of Ethics,* showing the ethical policies, points of view and practices of trade associations at both the national and company-member levels; *Glossary of Terms Used in Methods, Time Study and Wage Incentives* (enlarged edition); a progress report on *Use of Non-financial Incentives in Industry.* The following monographs will be published in the coming fall and winter: *Scientific Management of Marketing Operations; The Results Approach to Organization; Creative Techniques in Management.*

The results of a chapter-conducted survey of Executive Development Programs in manufacturing organizations throughout the United States and Canada will be published shortly after the terminal date of the study, June 30, 1958. This study is part of a Chapter Research Awards Program in which the Chapters will participate in a national study of common interest and significant value. The program is supplemental to independent research already being conducted by a number of Chapters, and to Chapter participation in other research projects of national significance.

At the present time, project specifications for national S.A.M research are being developed in the following problem areas: (a) practical norms of executive performance by industry types and management levels; (b) potentials and limits of the teamwork approach in management; (c) decay symptoms in a business enterprise; (d) base wages in relation to increased productivity.

Ralph C. Davis,
Vice President for Research and Development

Vincent A. Flynn,
Research Director

MATERIALS HANDLING

S.A.M's AIM is to keep pace with the growth of the materials handling function in all phases of industry and commerce. In line with this, we are attempting to offer Chapters—and individual members—the specialized guidance and information they want and need in the materials handling field. Our emphasis during the past year has been on promoting materials handling activity and study at the Chapter level rather than the national level. This is one of the reasons we did not have a national materials handling conference in New York this past spring.

To promote a better understanding and knowledge of materials handling at the local level, we have:

1. Increased Chapter visitation. During the past year your National Vice President of Materials Handling has made every effort to schedule business and pleasure trips so he could visit as many Chapters as possible. It is hoped in the future, this policy of increased Chapter visitation can be followed to an even greater extent.

2. Arranged for a traveling clinic of experts in materials handling to visit Chapters requesting it. This new service was instituted within the past year with the cooperation and assistance of the Materials Handling Institute. This is an activity any Chapter can participate in with a minimum financial expenditure and a very small expenditure of time and trouble. It is hoped that in the next year more Chapters will take advantage of this service.

3. Cooperated with other organizations having activities and interests in the materials handling field. During the past year we have encouraged the local S.A.M Chapter to join A.M.H.S Chapters in promoting local materials handling functions. It is hoped as time passes the relationship between S.A.M and A.M.H.S in the materials handling field will be improved for the greater benefit of all concerned.

4. Presented our Annual Materials Handling Award. Again this year the Materials Handling Award was presented to one of the outstanding figures in this field. This year's recipient was Frank R. Weber, retired head of International Harvester's Materials Handling Laboratories. Mr. Weber, now a Consultant with headquarters in Milwaukee, over the past two decades has helped establish standards in the materials handling and packaging fields that are recognized throughout industry.

5. Aided in compiling a one day clinic list. This list gives information on consultants who are willing to conduct one day clinics in the materials handling fields as well as in other fields for a modest fee. Most of the information needed by a Chapter to evaluate such a program is available in this listing. It is hoped this list will be enlarged and its effectiveness increased in the future.

6. Helped Chapters obtain speakers in the materials handling field. It is our firm conviction that a functional national vice president is a staff man to Chapters as well as the national office. Therefore, wherever possible we are willing and anxious to help local Chapters in problems confronting them. And probably one of the most frequently encountered problems is the obtaining of qualified speakers in various fields.

7. Added to the understanding of materials handling through articles in Advanced Management. This is one of the best ways we know to encourage materials handling activities in the Chapter level. Our by-lined articles in Advanced Management also offer a good source of speakers for Chapters.

8. Promoted a better overall understanding of materials handling as a prime cost cutting area. All of the above points are aimed at this end. How much of your

labor dollar goes for handling materials? 25% 40% 50%? Only when you know this can you realize the cost reduction possibilities in the materials handling field.

Warren J. King
Vice President
Materials Handling

CHAPTER CONFERENCES AND SEMINAR DEVELOPMENT

DURING the year assistance has been given on request to program chairmen of various local chapters in working out problems dealing with local seminar programs. A list of speakers and discussion leaders who are available for local programs has been provided through the national office. Also there has been a considerable volume of informal interchange of materials and thinking among individual chapters in an effort to make their seminars mutually profitable. New interest in the effectiveness of seminars is beginning to make itself felt at all levels of S.A.M—national, regional, as well as local.

Of special interest, eventually, to the local program chairmen will be the impact on seminar methods and content growing out of the joint venture of National Training Laboratories in Group Dynamics and S.A.M as initiated recently in the Cincinnati program. Industry, for the most part, has relied too heavily on conventional approaches—presentations and panels—as the methodology for education in its seminars. Laboratory and work shop approaches, seeking to utilize findings in the fields of the social sciences and group dynamics, offer promising new learning techniques for industry's use. The techniques and methods used in the proposed regional N.T.L-S.A.M seminars for the coming year should be studied carefully by all local program chairmen for new ideas applicable for local chapter use.

Moreover, there is growing appreciation for a number of secondary values which a chapter can obtain from a good, meaningful seminar program. One program chairman has called attention to the following gains as a result of his chapter's seminar program:

1. The seminar program gave a considerable boost to the chapter's membership and provided the membership committee with some excellent prospects for new members.
2. The leadership developed in putting on the seminar has provided a rich training ground for future officer and committee material, making the nominating committee's job considerably more difficult because of the necessity of choosing between more good people than they would otherwise be able to identify.
3. Among the people considered as seminar leaders, several did such outstanding work that they were subsequently used as speakers in nearby chapter programs.
4. Some of the smaller companies, not being in a position to hire specialists and not financially able to send people to professional seminars in metropolitan centers, found that the local S.A.M seminar filled a much appreciated service need.

It goes without saying that the local seminar program can be of tremendous value as a tool for implementing the basic principles on which S.A.M has been built. S.A.M has always been thought of as an organization reaching back into the "grass roots" of professional life; therefore, at the heart of the realization of our national goals must inevitably be a strong local educational program which supports and strengthens the regional program and, in turn, the national program. It has been the experience of a number of chapters that where the local chapter seminar program flourishes, the chapter's outreach and participation in regional and national activities increases. Conversely, where the local chapter emphasizes only the monthly program and its related administrative and social activities, the outreach, professionally, is more limited.

Looking at the chapter's local seminar program from the national point of view, through the national convention new ideas and concepts are brought into the life blood of the organization. This national stimulation of thinking is then projected into regional conferences where the ideas are further promoted. However, if they are to be picked up and brought down to the local chapter for application and assimilation to meet the needs of local management people, this extension can best be done through the local seminar program.

Again may I point out that there is perhaps no more important venture into new seminar thinking than is now being offered to S.A.M members through the cooperative regional programs by the S.A.M and N.T.L which bring the latest research findings in the social sciences and in group dynamics to the attention of industrial management in such a way that these values can be translated into improvements in leadership.

All in all, the year ahead promises to be one of strategic importance to S.A.M in the continuing progress and more effective utilization of educational seminars as management tools capable of serving American management in its quest to meet the great new responsibilities that lie ahead.

Lester F. Zerfoss
Vice President
Chapter Conferences & Seminar Developments

CHAPTER OPERATIONS

THE MOST important thing on the agenda of Vice President of Chapter Operations, was that of encouraging and fostering the growth of the regional concept. It is true that in the past several years several regions have sprung up and have been authorized by the national officers, but it is also true that regionalization for the country as a whole had never come about.

Emphasis on the regionalization program was made stronger by the fact that those of us who knew how the regions were operating were quite impressed by the fact that regions and the chapters within them were much stronger than those chapters who were non-regional. It seemed to us that the regional idea actually encouraged chapters to become stronger and to form an environment in which chapter operating "know how" could be exchanged.

My first step in trying to undertake this program was to analyze not only the chapters that were then in existence, but also to analyze in what areas of the country student chapters and potential parent chapters could possibly be chartered. I received much assistance in this area from both the Membership Vice President and the Vice President of Student Chapter Operations. Next, I attempted to answer in a booklet the how and why questions that were likely to be asked by chapters who were being exposed to a strong regional movement for the first time. Based on clusters of SAM activity, fifteen regions were "roughed out" on maps, of which three were already in existance and two regions were made from one extremely large region. In several areas where there was no grouping of chapters convenient enough to form a region, individual chapters were designated as "Core Cities" and encouraged to form

around themselves smaller chapters in medium-sized cities so that ultimately not one but several chapters would be in a given general locality and could constitute a region.

The regional lines were drawn with the understanding that individual chapters could, until the program has somewhat "solidified", decide which side of a regional boundary they would like to be on. Lines as originally drawn took into account not only the existing chapters, but areas of growth as outlined earlier. The booklets were mailed to all National Officers, Regional Vice Presidents, and to the Chapter Presidents and National Directors of all chapters. To date, of the fifteen regions outlined, more than 2/3 of them have adopted the program as presented and have elected or are meeting to elect their own Regional Vice Presidents. The other areas are in process of doing this same thing, although they have not progressed far enough along so that they can definitely be counted as being officially regionalized.

The regional idea was given further emphasis at the National Board of Directors' Meeting on April 26, 1958. At this time the National Directors of the chapters indicated that the Executive Committee should consist mostly of Regional Vice Presidents so that each chapter in a region would be represented at each Executive Committee Meeting. The report of the Activities and Policies Study Committee indicated that there was wide acceptance of the regional concept and this has been borne out by the fact that so many regions have proceeded along the recommended lines in the past several months.

The objectives of regionalization were outlined in the July, 1957, issue of ADVANCED MANAGEMENT by J. Richard Jeffrey, who was the outgoing Vice President of Chapter Operations. These objectives are:

1. To provide means by which chapters of given areas may meet for the purpose of exchanging chapter operations experiences, ideas, and techniques.
2. To provide a means by which the chapters of a given area may provide assistance to each other.
3. To promote the establishment of new chapters in the area.
4. To develop the opinions of the various chapters as a constructive influence in the formation of national policies, chapter to national communication.
5. To provide the means by which the chapters of a given area may unite to undertake a service to the area, which otherwise would be beyond the scope of any single chapter.

In summary, the general objective of regionalization is to help SAM grow and to help its members grow. It is a part of "growing up" and we are now on our way!

David N. Wise
Vice President
Chapter Operations

SMALL BUSINESS

THE PAST year has been one of considerable progress in the Society's continuing program of managerial assistance to small business. During the year, S.A.M prepared for Chapter use a "package" Clinic on Management Development for Small Business. The purpose of this full-day program is to provide a means of helping the small businessman accurately identify his problems and then offer practical solutions through informal discussion during the Clinic, and later through follow-up courses in administrative management conducted by the local university. The "package" includes a suggested program based on topics of current interest to small business, and a set of prepared outlines on these topics for use by the Clinic speakers. A number of Chapters have already sponsored the Clinic and others are planning to include it in their program for the coming year.

The importance of small business to the national economy was emphasized by the scheduling last September of the conference in Washington, D. C., on Technical and Distribution Research for the Benefit of Small Business. This three-day meeting was called at the direction of President Eisenhower. The Society, through its Vice President for Small Business, took an active part in developing the propram for this important Conference.

S.A.M has expressed its willingness to work with governmental agencies, trade associations, chambers of commerce, and other organizations which are actively sponsoring programs of assistance to small business. In this connection, the writer has prepared, for the U.S. Small Business Administration, an article entitled "How Big Companies Help Small Marketers", which lists more than 150 kinds of assistance made available by big companies to small firms. Copies are available through the S.B.A. Regional Offices, or from the S.A.M National Office.

Looking to the future, we must also consider the potential sources from which will come the entrepreneurs who will own or manage the small businesses of tomorrow. Certainly, one could not find a more promising source for our future small business executives than our own thriving S.A.M University Chapters. The young men who comprise these Chapters are eager for the knowledge and practical guidance that will prepare them for the responsibilities that lie ahead. No long range program would be complete without our utmost support and cooperation in this area. Accordingly, it is our hope that we will be able to work more closely with the student members by personally participating in as many University Chapter meetings as possible during the coming year.

In the final analysis, the success of S.A.M's Small Business Program depends on the active participation of every Chapter. Through our combined efforts we have the opportunity to make a tremendous contribution to the national economy. S.A.M headquarters is geared to serve as a clearing house for ideas, suggestions, and experiences for the benefit of a more effective over-all program. We want to know about your plans and progress, and how we can be of further assistance.

L. T. White
Vice President,
Small Business

NORTHEASTERN REGION

THIS IS OUR third year as a region. Our concept of the region has continued to evolve. This year, for the first time, all chapters were represented at all regional meetings with an average of two representatives per chapter.

This concept of the region carried over into our regional conference which was held in Bridgeport on March 28, 1958. All chapters had members on the planning committee and in attendance at the conference.

Three concepts stand out in our approach to regionalization:

(1) The region presents an opportunity for the individual to continue to grow.

(2) All regional activities should be participated in by all chapters.

(3) The transfer of know-how from one chapter to another is beneficial to

all chapters regardless of size or strength.

Robert W. MacWilliams
Vice President
Northeastern Region

SOUTHEASTERN REGION

THE SOUTHEASTERN Region just concluded another successful regional conference at Gatlinburg, Tennessee on May 8 and 9. The conference was well attended and showed a financial profit.

The next regional conference will be held in Asheville, North Carolina next spring, with Western North Carolina serving as host chapter. This will be a joint conference sponsored by the Southeastern and Southern Regions.

Approval was given by the Regional Board of Directors, at the Regional Board meeting of May 7 in Gatlinburg, to split the Southeastern Region and form the new Southern Region. Mr. Maurice Bachlotte was elected Regional Vice President for the new Southern Region and Hezz Stringfield was drafted for another term as Regional Vice President of the Southeastern Region.

During the year, the Chattanooga Chapter was formed and has become one of the strong chapters in the Southeast. Next year, however, Chattanooga will be associated with the Southern Region.

I wish to continue to report slow, but steady, progress in the formation of a new chapter in the Tri-Cities Area (Kingsport-Johnson City-Bristol). This new development is taking the form of possibly assuming responsibility for the Bristol Management Club, where about 40 members may well become affiliated with SAM. We hope to clinch the deal before the end of summer.

Other leads of possibility for new chapters are being followed closely and a vigorous effort is being made to crystalize the thinking and bring those areas closer to the benefits offered through SAM.

It is with a great deal of pleasure to be able to point to the Southeastern Region as one of those few regions showing an increase rather than a decline in membership over the past year. This region is growing.

The chapters of the Southeastern Region are already planning outstanding programs for next year, and are sharing the benefit of speaker evaluation of the many programs held in the various chapters during the past year as a means of continuing to improve the local chapter programs. This is only a part of the campaign to pursue a more sophisticated and mature overall chapter program for the coming year.

It is our intent, during the ensuing year, to capitalize upon our achievements of this past year and continue to reap rich rewards through advanced management techniques available from a full and active participation in SAM.

Hezz Stringfield
Vice President
Southeastern Region

WESTERN AREA

THE NORTHERN California Region was officially formed this year to include the chapters of Sacramento, East Bay (i.e., Oakland, Berkeley, etc.), San Francisco, and Santa Clara Valley (i.e., Palo Alto, San Jose, etc.). The East Bay Chapter was presented its charter on September 23, 1957 and the Santa Clara Valley on March 18 of this year. While the membership of the San Francisco Chapter has gone down somewhat this past year, due to the colonizing of other Bay Area chapters, total Bay Area membership has gone up over 50%.

Our first official regional meeting in Oakland was held on June 11, attended by representatives from each of the four chapters. At this time the regional organization plan as outlined at the last National Board meeting was endorsed unanimously on the basis that this arrangement would not isolate any chapter from direct contact with National Headquarters, but rather will assure each one better communication through the opportunity for local discussion of problems and interchange of ideas before final action is taken at the National level. The chapters agree that the regional plan with occasional meetings of chapter representatives will provide opportunity for better programs and a stronger feeling of identity with a large, professional organization.

A very successful management conference was conducted as a joint venture by the Sacramento Chapter together with several other professional organizations in that area. Attendance of 400 would point to the conclusion that there was plenty of interest. Sacramento Chapter plans to continue this conference on an annual basis.

The San Francisco Chapter introduced for the first time a one-day symposium on "How to Use Consultants." Cooperating in this endeavor were the other chapters in northern California. The entire approach was experimental. Part of the time, both morning and afternoon, included sessions in which the group was broken up into four "roundtables" which met simultaneously to discuss use of general management consultants, operational consultants, research consultants, and marketing consultants. This plan helped give both those who served as panel leaders as well as the registrants themselves a greater feeling of participation. We believe everyone gained a more accurate appraisal of the problem, "How to Use Consultants." The meeting was attended by a fairly high level group of managers representing both large and small companies. Probably this plan will be continued another year. Anyone putting on such a session, however, must realize the large amount of time needed to plan and promote such a meeting if it is to be worthwhile and well attended.

Our plans for the future of this region call for at least semi-annual meetings, possibly held on a rotation basis at each chapter's location. There is a possibility as time goes on of organizing chapters in some of the more outlying communities of our region, such as Fresno, Chico, Redding, and Reno, Nevada.

The entire membership in this area wishes to express its appreciation for the time and interest given by Harold Bixler in visiting the western chapters this past year.

W. R. Willard
Vice President
Western Area Chapters

UNIVERSITY CHAPTERS

"*Industrial Progress through Enlightened Management*"

Mission accomplished — Sights now set on still higher levels of achievement. The University Chapter Division moved forward during the year in the realization of its goals in new chapters and increased membership, as well as in the rendition of an ever enlarged service to education, industry and the Society.

Again new records of accomplishment were established. 136 chapters as of June 1, 1958, in which over *10,000* students were enrolled during the academic year, indicate the extent of this development when compared with *69* chapters and *1910* students three years ago. *26* new chapters were chartered while indications point to the inauguration of four more chapters by July 1, 1958. Furthermore, the foundations have been laid and the preliminary work has

been completed for the initiation of additional chapters next Fall.

New chapters were started in the following institutions and are now rendering a real service as an integral part of our ever growing University Division, through the leadership and inspiration of the faculty advisors listed. We pay tribute to the Faculty Advisors whose wise counsel and direction continue to contribute significantly to the successful operation of the chapters and the growth of their members and reflect their genuine interest in the development of young men and women.

Allegheny College—E. L. Eckles
Arizona State College—Francis S. Kelly and Dean Glenn D. Overman
Fairleigh Dickinson University—Bernard E. Budish
Gonzaga University of Washington—Dean Richard F. McMahon
Long Beach State College—Vernon A. Metzger and Arthur Laufer
C. W. Post College of Long Island University—T. Henry Murphy
Loyola College of Montreal—Francis J. Hayes
McGill University of Montreal—W. H. Pugsley
New York University, School of Commerce—John R. Beishline, William M. Berliner
Oklahoma State University—C. Roman
San Jose State College—Jack H. Holland
Santa Maria Catholic University of Puerto Rico—Sister M. Adalbert, Mrs. I. R. Roque
Temple University, Evening Division—Samuel T. Wilson
University of Arizona—Joseph Gill
University of Arkansas—Rhea H. West, Jr., Robert D. Hay, Vincent Cangelosi
University of British Columbia—David C. Aird
University of Delaware—Charles N. Lanier
University of Georgia—George M. McMannon
University of Kentucky—Joseph L. Massie, O. W. Gard, Clyde Irwin, W. Warren Haynes
University of Maryland—Stephen J. Mueller
University of North Dakota—Jack H. Doty
University of Omaha—Jack A. Hill and Charles M. Bull
University of Tulsa—Lyle Trueblood
University of Vermont—Milton J. Nadworny
University of Wisconsin—Milwaukee—John Lindemann
Western Carolina College—Charles F. Wayte

The spirit of the new members of the University Division is very well expressed in the following typical statements: *Professor Rhea H. West, Jr.*, of the University of Arkansas—"Let me assure you again that it is a pleasure to have this group in such a fine organization and we are ready to cooperate with you at all times." *Dr. Stephen J. Mueller*, of the University of Maryland—"May I say we are very happy at the University of Maryland to become part of your wonderful professional group. It is my firm belief that we shall have the largest Student Chapter, not only in Washington but in all of these United States—this both in a qualitative as well as a quantitative sense." *Dr. Glenn D. Overman*, Dean, College of Business Administration, Arizona State College—"We are in the process of adding to our present staff in the field of management and feel that SAM will be a fine addition to the development of our program." *Melvin C. Higdem, Jr.* of the University of North Dakota—"At last, something for management . . . we feel in debt to you, therefore, for offering the chance and opportunity to become members of SAM."

Many people have played an important part in this record of achievement. Special thanks go to Harold Bixler and the New York Office Staff, the national officers and directors and the student coordinators of the Senior Chapters for their continued cooperation and support.

The *University Chapter Promotion Award* will be presented to the following Senior Chapters at the Fall Management Conference in New York, in recognition of their asistance in the development and subsequent operation of new University Chapters: *BERGEN COUNTY, CINCINNATI, KANSAS CITY, MILWAUKEE, MONTREAL, ORANGE COAST, PHILADELPHIA, PITTSBURGH, PUERTO RICO, SANTA CLARA VALLEY, WASHINGTON, WESTERN NORTH CAROLINA,* and *WILMINGTON.* In addition, upon the application of the North Texas State College Chapter, the *University Parent Chapter Coordination Award* will be presented to the *DALLAS* chapter for services rendered.

On the other hand, a number of the faculty advisors and student chapters will be playing an important part in the organization of Senior Chapters. For example, *Professor Richard Sheehan* of Lamar State College of Technology has the situation well in hand and we look forward to presenting the charter to a new Senior Chapter in *BEAUMONT*, Texas, next September. *Professor Rhea H. West, Jr.* of the University of Arkansas has been very active and has been making good progress in the development of Senior Chapters in *FAYETTEVILLE, LITTLE ROCK,* and *PINE BLUFF,* with additional support in *FORT SMITH.* The same situation will hold true next Fall in *PHOENIX*, Arizona, with *Dean Glenn D. Overman, Professor Francis S. Kelly,* and *Dr. Keith Davis* of Arizona State College; in *TUCSON* with *Professor Joseph Gill* of the University of Arizona; and in *VANCOUVER* with *Professor David C. Aird* of the University of British Columbia. We anticipate continued assistance from *Dr. Howard C. Nudd* of the University of Houston in *HOUSTON; Dr. Lyle Trueblood* of the University of Tulsa in *TULSA;* and *Professors Ernest Walker and Kenneth Olm* of the University of Texas in *AUSTIN.*

The transition from student membership has been improved. The Society as a whole and the individual Senior Chapters will derive increasing strength, I am sure, from the graduating members of our University Chapters in the years that lie ahead. Senior Chapter brochures and application forms were forwarded to the faculty advisors of each University Chapter in January and in May for the use of the graduating seniors. A personal follow-up of each graduating senior will be made during the summer. Membership after graduation does have real value in the form of increased knowledge, understanding, and contacts.

The increasing number of Performance Awards Reports this year reveal a vitality and quality far beyond any previous year. Members of our University Chapters are learning by doing. Some interesting and worthwhile activities have been developed in the way of research projects, community service, plant visitations, and management conferences, as well as placement services.

Again our sincere thanks go to *REMINGTON RAND, INC.*, New York City, for continuing the Remington Rand Performance Awards that make possible the attendance at the Fall meeting of the officers of our ten leading chapters. We also express our sincere thanks to the *HAMILTON WATCH COMPANY*, Lancaster, Pennsylvania, for continuing the Hamilton Watch awards to our University Chapters, in recognition of membership growth. These two firms have made—and continue to make—a significant contribution to the successful operation of our University Program through the awards they provide in recognition of achievement.

Plans are being formulated to encourage creative writing and research. The University Division is concerned both with the advancement of management as well as with the advancement of management men.

The Division will continue to move forward, both quantitatively and qualitatively. ■

"When a man's knowledge is not in order, the more of it he has the greater will be his confusion."

—Herbert Spencer

S. A. M *Newsletter*

Current news of interest to all S.A.M Members, specifically for the 900 Chapter and National Officers of the Society.

HAROLD R. BIXLER
Executive Vice President

A PROGRAM FOR BUSINESS ACTION—The Chamber of Commerce of the United States and many local Chambers in major cities have endorsed the following program for business action as an incentive for those individuals who may be still recession minded. This program was developed by ELMER L. WINTER, President, Manpower, Inc., and appears in the Congressional Record:

"Recognizing that the achievements of our dynamic economy are primarily the results of freedom and self-reliance, we as business leaders cannot and should not wait for Washington to take the initiative in meeting the current economic decline. In the spirit of this tradition which has brought greatness to our land, we believe that vigorous and courageous application of the following 'self-help' principles is the most practical and honorable method for meeting the problems of the present recession:

1. Recognize that the 'seller's market' is past and prepare immediately for operation in a 'hard sell' market by expanding sales forces and sharpening sales tools.
2. Expand research for the development of more new products with greater sales potential, and check the effectiveness of our sales strategies with surveys, depth interviews and motivation research.
3. Intensify advertising program to bring more consumers into the market.
4. Diversify product and service lines to reach even broader markets.
5. Where plant modernization or equipment replacement has been postponed because of production pressure, start such projects now when the labor market is excellent and money can be obtained at a lower rate.
6. Review all long-range plans and activate immediately those which can be moved ahead.
7. Appropriate more corporate and foundation funds immediately for scholarships for additional scientists, engineers and other specialists vital to national welfare.
8. Do all within our power to broaden the export business which currently provides a livelihood for some 4½ million Americans.

"However vital Washington's role in our general well being, we know that American business and industry have the resources, vigor, intelligence and courage to lead the way out of this economic downturn. The reward stemming from the successful application of this program will be an immediate expansion of jobs and markets. Our ultimate gain will be a strengthening of faith in the American free economy."

NATIONAL OFFICER CHAPTER VISITS — Schedules and plans for travel throughout the country are already underway by a number of the National S.A.M Officers, to provide visits with the local chapters in relation to their trips in the respective areas in connection with business affairs. The various National Officers each year devote considerable personal time, effort and expense in this service to the chapters. Chapters are urged in their early programming to make contact as far ahead as possible with each National Officer for this purpose, in order that their invitations can receive best consideration. As an example, National Board Chairman JOHN B. JOYNT, will be in California next October and is planning to visit S.A.M chapters in that area to the extent time permits.

THE BURDEN OF EXECUTIVE READING—Surveys indicate that the amount of reading the "average executive" must do is "appalling." He spends at least four hours each day reading reports, correspondence, books, newsletters, and business magazines. In addition he devotes at least ten hours a week of so called leisure time to newspapers, news magazines and books. To shortcut this reading necessity the California Medical Association now provides some 4,000 doctors over the country with a "Listener's Digest" in the form of a magnetic tape recording, mailed each week, that contains streamlined digests of all current news and articles of vital importance. This enables them to hear the tapes at their convenience at home, during lunch, in their automobiles, even in bed. As a result simply by listening for a brief half hour they can keep posted on all important articles carefully selected and condensed by experts from some 600 magazines each week an otherwise impossible task to them individually. This is called AUDIO DIGEST, operated as a subsidiary of the California Medical Association. For details write DANIEL E. DENHEM, Sales Manager of the Magnetic Product Division of Minnesota Mining and Manufacturing Co., St. Paul, Minnesota, which developed the procedure.

REGIONAL CONFERENCES INCREASING — Continuing advancement in the planning and conduct of S.A.M conferences in the various regions is winning well deserved recognition in their respective areas. Recent regional conferences sponsored by the individual chapters in the region include: Northeastern, **held in March at the University of Bridgeport in Bridgeport, Conn., on the theme "The I In Profits";** Central Region, **held in Cincinnati, in May, on the theme "Scientific Tools For Management", co-sponsored by Xavier University; and a** Southeastern **conference held in Gatlinburg, Tennessee, also in May, on the theme "Better Management for More Profits", co-sponsored by the S.A.M National Office.**

Chapter conference developments include, in the Western area, the first management development conference sponsored by the ORANGE COAST chapter and the Long Beach Chamber of Commerce on May 24. In the Midwest the annual workshop on "Plant Layout and Facilities Planning" by the KANSAS CITY chapter and the University of Kansas; in the Southeast the seminar study program conducted by the WESTERN NORTH CAROLINA chapter at Asheville had 96 individuals enrolled, representing 28 companies who maintained a 100% attendance throughout all eight sessions.

In connection with conferences this month's incidental humor ranges from the annoyance of a conference participant at one of these affairs, when the registration desk was not opened promptly at 8 A. M., who said: "S.A.M must mean Sleep All Morning". However, another loyal member said, "No! It means "Something Always Moving".

Chapters interested in planning cost reduction programs will find of value an excellent report recently prepared for employees of the Bridgeport Brass Company, as a special issue of their monthly newspaper, which enlists the aid of everyone in the organization. Write to RUSSELL G. BARMMER, Director of Publicity, Bridgeport Brass Company, Bridgeport 2, Conn.

S.A.M DIRECTORY OF MANAGEMENT SEMINARS—Another new S.A.M publication is now available for chapter programming, which lists seminar programs and management training specialists. This has been developed in relation to the increasing interest of S.A.M chapters in conducting a wide range of seminars on management development subjects. This directory has been prepared by S.A.M as an aid to chapter members in developing a sound seminar program. Its purpose is to provide the names of management trainers who are highly qualified specialists in their respective fields. Each has been highly recommended on the basis of experience within S.A.M and other professional organizations. The pamphlet contains sections on "Why A Seminar Program?", "A Word About This Directory", "Promotion, Physical Arrangements, and Take Home Material". Information on each training specialist includes name, address, title of seminars, duration and specific subjects covered.

ADMINISTRATIVE GUIDE TO SEMINAR OPERATIONS—The second edition of the S.A.M Chapter Aid prepared as an Administrative Guide To Seminar Operations by National Vice President for Seminars, LESTER F. ZERFOSS, has now been completed. Its contents include: "What About A Seminar Program?"; "Does Your Chapter Need A Local Seminar Program?"; "What Is The Evidence Of Need?—Objective and Scope of a Seminar Program and Available Resources"; "How Can You Organize A Program To Meet This Need?—The Job of the Seminar Committee and Financial Considerations"; "How Can You Maintain An Effective And Continuing Program? — Techniques for Evaluating Results, Systematic Plan for Exchanging Experience and Experimental 'Try-Out' of Specific Techniques and Types of Programs".

It is suggested that the officers of each chapter, as a first step, set up a special study committee to review the Administrative Guide. Make a study of the local chapters past and present programs. Think through the values which a good seminar program might have, and finally, determine whether those values add up to an opportunity for the chapter to give its members vital service they are not now receiving.

S.A.M CONFERENCE MANUAL—Reprints are now available on the popular Conference Manual developed last year for S.A.M chapters as an aid in local programming. This publication is a summary of a number of individual communications from the National Office to the chapters and includes the following contents: "Why A Conference?", "Developing The Program", "It Takes Planning And Teamwork", "Securing Speakers", "Promotion And Publicity", "Conference Arrangements", "Registration", "Starting Meetings On Time", "Sample Chart", "Finance Planning", "Choosing, Corralling, And Caring For Speakers", "Conference Proceedings", "End Of Meeting Reaction Slip", "Conference Evaluation Questionnaire", and "Sample Conference Programs". The Manual is an easy-to-read guide and checklist on the highlights of successful conference planning and conduct. It is applicable not only to S.A.M Conferences but also to those arranged by other organizations and individual companies.

PROGRAMS AND SPEAKERS — CHAPTER MEETINGS AND SEMINARS—A fourth S.A.M publication now available as an aid in chapter programming is the second edition of the pamphlet listing typical programs and speakers and chapter meetings and seminars. It contains a great amount of helpful information for the planning and conduct of meetings of all types, and is of particular interest to the chapter president, program chairman, and national director and others concerned with this important phase of chapter activities.

Chapters are urged to maintain an active reference library of all S.A.M and other conference and meeting programs dealing in whole or in part with management subjects. A list of other organizations whose meetings provide a great amount of selective information is available from the National Office. Guidance, counsel, and help in programming can be obtained through S.A.M Educational and Conference Director, PATRICK J. REDDINGTON, and the National Vice President for Seminar Operations, LESTER F. ZERFOSS. In addition to listing typical S.A.M chapter monthly meeting activities for source reference, the publication includes over 200 typical Seminars, Clinics, Workshops or Orientation Sessions and other Special Training Courses conducted by the S.A.M chapters during 1957-8-9.

PUBLICATIONS OF INTEREST—Recent references by National Officers include the following publications of interest to members: ANTI RECESSION POLICY FOR 1958—A statement by the Program Committee of the Committee for Economic Development, 711 Fifth Avenue, New York 22, N. Y.; Regional MANPOWER GUIDE BOOK—A new publication of the U. S. Department of Labor, Bureau of Employment Security, available from Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.; FILMS TO EXPLAIN AMERICAN BUSINESS—Selected motion pictures to correct misunderstanding and to explain American business, available from Education Department, Chamber of Commerce, United States, 1615 "H" Street, N. W., Washington, D. C.; ARE YOU PLANNING A TRIP TO ANOTHER COUNTRY?—Covering foreign currencies, checklists, weights and measures, tipping suggestions, wearing apparel, temperature, currency conversion, foreign money regulations, and so forth, available from Perera Company, 10 Broadway, New York 4, N. Y.; DISTRIBUTION DATA GUIDE — Selected current materials of value to those marketing and distributing our nation's goods and services, available from U. S. Department of Commerce, Office of Distribution, Business and Events Services Administration, Washington 25, D. C.

(*Continued from page* 21)

C-16 **Live At Peace With Your Nerves—Walter C. Alvarez.** 267 pp. Prentice-Hall. 1958. $4.95.
Another book of practical and authoritative guidance on ways of easing the nervous tensions that frequently lead to serious physical and psychological problems. Written in layman's language.

C-17 **The Art of Persuasion—Wayne C. Minnick.** 302 pp. Houghton. 1957. $5.50.
A guide to techniques of effective speaking in both private conversation and public addresses. Tells how to tune your manner of speaking and your message to the particular audience and its interests.

C-18 **How to Read Better And Faster—Norman Lewis.** 415 pp. Crowell. 1958. $3.95.
The third edition of a well known guide to increasing reading speed and comprehension. The new edition includes up-to-date techniques and self-teaching devices as well as practice materials.

The Wider View

D-21 **The Mass Communicators—Charles S. Steinberg.** 454 pp. Harper. 1958. $6.00.
An historical and analytical evaluation of the various media of mass communication and their relationship to public opinion and public relations techniques. Explores the semantic principles of communication and provides practical case histories in public relations from diverse fields.

D-22 **Big Oil Man From Arabia—Michael S. Cheney.** 282 pp. Ballantine. 1958. $4.95.
An entertainingly written account of the life of a staff man in a US oil operation overseas. Apart from the interesting picture it paints of an increasingly important aspect of American business life, this book gives a revealing behind the scenes picture of rapid changes in the social fabric of Middle Eastern countries.

D-23 **Ideas, People and Peace—Chester Bowles.** 158 pp. Harper. 1958. $2.50.
A thoughtful commentary on the problems of the underdeveloped areas around the world and the US approach to these problems.

D-24 **Our Nuclear Future—Edward Teller and Albert L. Latter.** 184 pp. Criterion. 1958. $3.50.
A full account, written for the layman, of the technical, economic and human aspects of the dawning atomic age. Written by two distinguished scientists the book is a particularly useful guide to understanding in a field in which there is general confusion in most people's minds.

D-25 **Countdown For Tomorrow—Martin Caidin.** 288 pp. Dutton. 1958. $4.95.
An inside story of earth satellites, rockets and missiles and the race between American and Soviet science in the field of space ballistics. Written by a well known authority on aviation matters.

D-26 **Soviet Progress vs. American Enterprise.** 126 pp. Doubleday. 1958. $2.00.
An authoritative summary of where we stand in the worldwide competition with the Soviet Union on the economic, political and scientific fronts. Prepared on the basis of a confidential briefing session held at the fifteenth anniversary meeting of the Committee for Economic Development. Vice-President Nixon has contributed an introductory chapter, and other sections have been prepared by authoritative people. ■

(*Continued from page* 12)

frequently in their careers. For example, it should cover the ideas of scientific sampling, i.e., principles and methods of sampling, estimating, measuring error and determining the risk in sample estimates, since this is the heart of fact-finding and a most frequently used tool in management surveys. It should also include all of the elements described earlier.

It should have a systematic and logical presentation of the selected subjects and it should explain the application and reasoning behind each principle and statistical formula, taking nothing for granted. It should explain *why* it is necessary to calculate certain statistical measures, *how* they are applied, *where* they can be applied and *what* they can do to guide management actions. And, just as important, it should be written in an interesting style and simple language with a minimum of statistical symbols and technical formulas. (Mr. Mandel's text is the result of an extensive analysis of management need for and use of statistical methods in their work.)

Instruction should be given by a person with both practical experience in fact-finding and analysis of data and a good academic background in statistics. If he has a sense of humor and can use some humorous illustrations of statistical misconceptions or misapplications, he will gain greater class interest.

The pace of presentation should be set on the assumption that the person taking introductory statistics is a novice at it, and has little mathematical or analytical background. Meeting the previously planned time schedule is not as important as learning, and it is more important to slow the pace and answer questions than to complete all sessions outlined.

Theory and practice should be closely interwoven and a balance between them carefully maintained to avoid overemphasis of one at the expense of the other.

A term project—should be assigned about three quarters of the way through the course after the student has some groundwork in statistics. Subjects may be selected by the student based on his own field of interest, his hobby or work. Some suggested subjects are: A local telephone survey on radio or TV preference, percentage of cars of different makes, a correlation study between age and earnings, etc. There is no better way of learning than by doing and experiencing results.

Statistical Knowledge Will Pay Big Dividends

Whether it be in the college curriculum or given as a special training course for management personnel, an introductory course in management statistics will pay real dividends to the students and the organization giving it.

The management of man and his resources is the most vital function in the world today. In our complex, ever changing world, management decisions must be based on facts, on facts obtained by scientific methods and by analysis of all relevant data.

If you have the know-how to think quantitatively as well as qualitatively, you will be a better manager. That is what a course in management statistics will do for management people at all levels in big and small business, or organizations, private or public. ■

Correction

The article by Herbert V. W. Scott which was published in the June 1958 issue of **Advanced Management**, was incorrectly entitled "Where To Find It—What To Do About It". The title should have read "CR—Cost Reduction—Where To Find it, What To Do About it".